COMMONWEALTH of VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
600 East Broad Street, Suite 1300
Richmond, VA 23219

August 13, 2008

Dear Prospective Vendor:

The Department of Medical Assistance Services (DMAS) is soliciting proposals from qualified firms to take over existing systems and provide a variety of services to support its federally certified Medicaid Management Information System (MMIS).

Specific details about this procurement are in the enclosed Request for Proposal (RFP) 2008-02. Contractors must check the DMAS web site at www.dmas.virginia.gov or check the eVA web site at www.eva.virginia.gov for any addendums or notices regarding this RFP. The evaluation criteria are also available on the DMAS web site at www.dmas.virginia.gov.

The Commonwealth will not pay any costs that any contractor incurs in preparing a proposal and reserves the right to reject any and all proposals received.

All issues and questions related to this RFP should be submitted in writing to the attention of Sylvia Hart, Director, Information Management Division, Department of Medical Assistance Services, 600 East Broad Street, Suite 1300, Richmond, VA 23219. Offerors are requested not to call this office. In order to expedite the process of submitting inquiries, it is requested that vendors submit any questions or issues by email in MS Word format to RFP2008-02@dmas.virginia.gov.

Sincerely,

Christopher M. Banaszak
Contract Officer

Enclosure

REQUEST FOR PROPOSALS
RFP 2008-02

Issue Date: August 13, 2008

Title: Virginia Medicaid Management Information Services (MMIS) to include:

- Fiscal Agent Services
- Provider Enrollment Services
- Drug Rebate Services

Single Point of Contact:

Sylvia Hart
Director
Information Management Division
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

E-mail Address: RFP2008-02@dmas.virginia.gov

Proposal Due Date: Proposals will be accepted until 2:00 p.m. E.S.T. on November 14, 2008.

Submission Method: Proposal(s) must be delivered to the Department of Medical Assistance Services, 600 E. Broad Street, Suite 1300, Richmond, Virginia 23219, Attention: Chris Banaszak by the due date and time.

Facsimile Transmission of the proposal is not acceptable.

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, §2.2-4343.1 or against an Offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

A mandatory pre-proposal conference will be conducted at 10:00am on September 5, 2008 at the Department of Medical Assistance Services 7th Floor Conference Room, 600 E. Broad Street, Richmond, VA 23219. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation. Due to the importance of all Offerors having a clear understanding of the scope of work and requirements of this solicitation, attendance at this conference is required. To ensure adequate accommodations, Offerors need to register with the SPOC: Sylvia Hart by sending an e-mail to RFP2008-02@dmas.virginia.gov stating the name of Offeror and Offerors participating representatives. Due to space limitations, Offerors will be limited to two representatives each. For planning purposes, DMAS asks Offerors to register with Sylvia Hart not later than 1:00 pm local time on the day prior to the conference.

COMMONWEALTH OF VIRGINIA

DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

Request for Proposal

No. 2008-02

For

Fiscal Agent Services
Provider Enrollment Services
Drug Rebate Services

August 13, 2008

TABLE OF CONTENTS

7. APPENDIX

1. INTRODUCTION

1.1 CONTRACT OBJECTIVES AND EXPECTATIONS

The Department of Medical Assistance Services (DMAS) of the Commonwealth of Virginia (COV) is issuing this Request for Proposal (RFP) to obtain one or more Contractors to take over existing systems and provide a variety of services to support its federally certified Medicaid Management Information System (MMIS).

With this RFP, DMAS is departing from its historical approach of requiring a single fiscal agent to provide all services. The RFP is structured so that a prospective Offeror can respond to any or all of three different components that together comprise all of the services to be performed. These components are:

- Fiscal Agent Services (FAS)
- Provider Enrollment Services (PES)
- Drug Rebate Services (DRS)

DMAS is seeking solutions that will provide takeover and implementation activities, business operations support, application systems and support, platform management, documentation, training and other responsibilities associated with these services. For the purposes of this RFP, vendor, contractor, supplier, and offeror shall mean any entity that submits a proposal in response to this RFP.

Through this RFP, DMAS is seeking to contract with one or more Offerors that have demonstrated the capabilities we are seeking and possess the following key attributes:

- Extensive experience and expertise in the business operations, application software support, and computer operations areas needed to execute, support, and maintain the services being proposed;
- The ability to identify, propose, develop, implement, operate, and support future program initiatives and legislative requirements, including the incorporation of technological and organizational changes that would assist DMAS in meeting its goals and objectives;
- An understanding of, and commitment to, the evolution and adaptation of the Medicaid Information Technology Architecture (MITA) initiative;
- A reputation for delivering the highest levels of quality service to its customers that can be substantiated by DMAS through regular reports on performance, self evaluation, and activities related to corrections and improvements;
- Sound management skills and adherence to industry standards of excellence that result in effective business practices, including information technology services and fiscal agent operation areas that address the requirements set forth in this RFP; and
- Commitment to a strategic business partnership with DMAS demonstrated through open communication that results from all partners working to understand each other's interests and striving to understand and meet the contract requirements.

Proposals received in response to this RFP will be evaluated by the DMAS proposal evaluation teams. All proposals must be developed in accordance with Section 2, Proposal Administration and Requirements.

1.1.1 VIRGINIA MEDICAID ENTERPRISE ARCHITECTURE

The current Virginia Medicaid Enterprise Architecture is composed of the following components:

- Fiscal Agent (FA) Technology: This component contains all the commercial hardware, systems software, and telecommunications provided and operated by the Contractor to support the hosting of and transparent access to the MMIS, including the application software, tightly integrated Commercial Off-the-Shelf (COTS) software products, and related documentation.

- DMAS Technology: This component contains all the commercial hardware, systems software, and telecommunications located at DMAS. The technical components will be operated and maintained by the Virginia Information Technologies Agency (VITA). (VITA is the Commonwealth's consolidated, centralized information technology services provider.) While technical operational support for DMAS Technology is not within the scope of this RFP, software maintenance support for the identified custom application software in use on the COV-owned platforms is part of this RFP.

To help support and better describe the structure of this RFP, as well as the COV's long-term technology objectives, the Virginia Medicaid Enterprise Architecture is being redefined to include:

- MMIS Core Technology: Currently part of the FA Technology, this component will be defined on its own and specifically contains all the commercial hardware, systems software, COTS products integrated into the MMIS, and custom application software used for hosting the MMIS and related documentation.

- Provider Enrollment Services Technology: This component contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the PES Contractor's proposed business services staff. The PES Contractor's technology must connect with the MMIS Core Technology as well as with the DMAS Technology.

- Drug Rebate Services Technology: This component contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the Drug Rebate Contractor's proposed business services staff and Drug Rebate system. The Drug Rebate Contractor's technology must connect with the MMIS Core Technology as well as with the DMAS Technology.

The function and content of the current and redefined technologies are described in detail in Section 3 of the RFP.

Offerors submitting a proposal for the FAS contract must provide the MMIS Core and Fiscal Agent Technology components. Offerors submitting a proposal for the Provider Enrollment Services and Drug Rebate Services contracts must interface with the applicable platforms in conformance with any requirements and standards defined.

Sections 4, 5, and 6 describe the technology requirements under the new contracts in a subsection called Platform Management.

1.1.2 OVERVIEW OF THE SCOPE OF WORK

The Scope of Work is divided into sections that describe the three separate contracts Offerors may choose to propose:

- Section 4: Fiscal Agent Services
- Section 5: Provider Enrollment Services
- Section 6: Drug Rebate Services

Sections 4, 5 and 6 of this RFP describe the responsibilities that a Contractor must assume in order to provide the products and services that are required by DMAS to meet the agency's business objectives. The specific requirements for each component are itemized in an appendix specific for that component (Appendix E.I, F.I, and G.I, respectively). The contracts between the COV and Contractors will contain a number of performance-related Service Level Agreements (SLAs). The SLAs, which have been designated by DMAS, represent services that are especially critical to the success of the Medicaid program. The Offeror also must be prepared to conform to all applicable COV Information Technology Resource Management (ITRM) standards and procedures.

DMAS reserves the right to adjust the requirements or scope of this RFP. In the event that any modifications become necessary, amendments to this RFP will be posted on the procurement website (see Section 2.1.15). The other sections of the RFP (1, 2, 3, and 7) apply in total or in part to all of these services and should be reviewed and addressed by all prospective Offerors.

1.1.2.1 Fiscal Agent Services

The winning Offeror for Fiscal Agent Services will take over the current MMIS and be responsible for ensuring the system is thoroughly tested and kept current with any changes made to the production MMIS so that a seamless transition occurs when the migrated system is put into production. The Offeror will develop and adhere to a detailed takeover plan that identifies all tasks needed for this complex undertaking, including recruiting and training of staff, acquiring local office space, updating

procedures and documentation, ensuring connectivity is established for existing business partners, and establishing appropriate security protocols.

1.1.2.1.1 Business Operations Support

During the operation of the Fiscal Agent Services Contract, the Offeror will be required to perform a number of business support functions in the areas of claims, financial, recipient, pharmacy, and Electronic Data Interface (EDI) support services. With the exception of certain key staff, the Offeror will have the liberty of organizing and staffing these areas as it sees fit to meet DMAS' requirements.

It is expected that each business operation area will follow documented procedures and will exercise quality control over its processes and products to ensure that all service level agreements are being met and that problems are identified and resolved in a timely manner.

1.1.2.1.2 MMIS Applications Support

The MMIS is comprised of a variety of applications that operate on multiple platforms. The Offeror will be required to take over the system and through rigorous testing, verify that the results parallel those of the original production system. After the system is in production, the Offeror must maintain, enhance, and monitor the MMIS and supporting software. All changes must be performed in accordance with the approved change management methodology.

Applications support also includes all of the activities needed to ensure the MMIS is running correctly and efficiently, such as researching and resolving system problems and identifying potential system improvements that could lead to cost savings to DMAS, improvements for providers of services, or other positive changes.

Applications support addresses the Fiscal Agent Services software that resides on the MMIS Core, Fiscal Agent, and DMAS Technology platforms.

1.1.2.1.3 Other Requirements

The Fiscal Agent Services Scope of Work describes a variety of other requirements that augment or support those mentioned above, including platform management, documentation management, security and risk management, change management, enhancements, and takeover and turnover.

The Enhancements Section 4.1.7 describes one optional and two required enhancements. DMAS is also inviting Offerors to suggest enhancements that they think would be beneficial to Virginia Medicaid.

1.1.2.2 Provider Enrollment Services

DMAS has structured the RFP so that the requirements related to PES are defined separately to provide the opportunity for an Offeror to submit a proposal for this function independently of the other contracts.

DMAS maintains a provider database of approximately 59,000 actively enrolled providers. The PES Contract requires the Offeror to establish a staff to take over the Provider Enrollment Services and data maintenance functions, provide a web-based system for providers to enter and update enrollment information, and provide customer services to existing and prospective providers.

The PES application must interface with and support the MMIS Provider Subsystem.

1.1.2.2.1 Business Operations Support

During the operation of the PES Contract, the Offeror will be required to perform a number of business support functions that include provider enrollment and related services, data maintenance functions, and customer services to existing and prospective providers. The Offeror will receive and process all provider enrollment applications from new and existing providers, determine provider eligibility using DMAS-approved procedures, approve or deny the application, provide a written notice of determination, and electronically file incoming and outgoing provider documentation.

The Offeror will also be responsible for the entry and maintenance of provider data needed to enroll, re-enroll, update, change and maintain the Medicaid provider database contained within the MMIS, and its 4.5 million electronic provider documents.

1.1.2.2.2 Applications Support

The Offeror must support and maintain the applications used to perform the required Provider Enrollment Services functions and ensure the applications are running correctly and efficiently, including researching and resolving system problems and identifying potential system improvements that could lead to cost savings to DMAS, improvements for providers of services, or other positive changes. The Provider Enrollment Services applications must update the MMIS Provider database.

1.1.2.2.3 Other Requirements

The Provider Enrollment Services Scope of Work describes a variety of other requirements that augment or support those mentioned above, including platform management, documentation management, security and risk management, change management, and takeover and turnover.

1.1.2.3 Drug Rebate Services

DMAS has structured the RFP so that the requirements related to the DRS are defined separately to provide the opportunity for an Offeror to submit a proposal for this function independently of the other contracts.

The DRS Contract requires the vendor to implement, support, and maintain a CMS-certified Drug Rebate system that meets OBRA 90, the Deficit Reduction Act (DRA) of 2005, and current CMS and state requirements. DMAS' Drug Rebate system is provided by the current fiscal agent using a proprietary COTS product known as FirstRebate®. Offerors are required to propose a comparable or improved solution. In addition, DMAS requires a Drug Rebate system with flexible and dynamic reporting capabilities that support ongoing needs without continual system changes and manual computations. DMAS is particularly interested in reporting rebate data as they relate to the COV's specialty and supplemental drug initiatives; federal requirements at the pharmacy, professional, and institutional invoicing levels; payments collected; and outstanding dollars and disputes.

1.1.2.3.1 Business Operations Support

During the operation of the DRS Contract, the Offeror will be required to perform a number of business support functions that include the day-to-day operation of the Drug Rebate functions for both CMS and Supplemental rebates based on policies and procedures provided by DMAS.

1.1.2.3.2 Applications Support

The Offeror must support and maintain a Drug Rebate application that is comparable or superior to the current COTS application and ensure the application is running correctly and efficiently, such as researching and resolving system problems and identifying potential system improvements that could lead to cost savings to DMAS, or other positive changes.

1.1.2.3.3 Other Requirements

The DRS Scope of Work describes a variety of other requirements that augment or support those mentioned above, including platform management, documentation management, security and risk management, change management, and takeover and turnover.

1.1.3 OVERVIEW OF THE SCHEDULE

DMAS' current fiscal agent contract will end on June 30, 2010. The schedule developed for this RFP provides the time needed to develop and respond with quality proposals, perform the activities defined in the Scope of Work, and support a smooth transition to the new contracts.

All of the contracts awarded through this RFP will begin operations on July 1, 2010. The length of each of the contracts is as follows:

- ***Fiscal Agent Services:*** The Contract Term is defined by a Takeover Phase from contract signing date through June 30, 2010 and an Operations Phase that begins on July 1, 2010 and ends June 30, 2014. DMAS, in its sole discretion, may extend this Contract with up to four (4) one-year option periods that would run from July 1 through June 30 for each period.
- ***Provider Enrollment Services:*** The Contract Term is defined by a Takeover Phase from contract signing date through June 30, 2010 and an Operations Phase that begins on July 1, 2010 and ends June 30, 2012. DMAS, in its sole discretion, may extend this Contract for a one-time option of a two-year period that would begin on July 1, 2012 and ends June 30, 2014. In addition, DMAS, in its sole discretion, may continue to extend this Contract at that time for up to four (4) additional one-year option periods that would run from July 1 through June 30 for each period.
- ***Drug Rebate Services:*** The Contract Term is defined by a Takeover Phase from contract signing date through June 30, 2010 and an Operations Phase that begins on July 1, 2010 and ends June 30, 2013. DMAS, in its sole discretion, may extend this Contract with up to five (5) one-year option periods that would run from July 1 through June 30 for each period.

1.1.4 OTHER CONSIDERATIONS

DMAS views the requirements set forth in this RFP as comprising the business and technical requirements as well as the corporate attributes an Offeror will possess to achieve a successful business relationship with DMAS during the life of the contract. We have structured the RFP so that Offerors are provided the opportunity to showcase their experience, abilities, and accomplishments. We have also structured the RFP in a manner that encourages Offerors to offer solutions based on their capabilities and experience. As much as possible, we have attempted to define our requirements without prescribing a specific solution in terms of methodology, technology, or staffing requirements. We believe that DMAS will be better served by allowing industry experts to propose solutions that are best of breed.

In taking this approach, we realize this RFP provides a unique challenge to DMAS and its Contractors. All parties must be flexible and work cooperatively with each other through the contract terms.

Offerors should also note that new or current contracts associated with the MMIS could be procured during the period of the RFP issuance, award, and implementation and result in new or additional contractors. For example, the Commonwealth of Virginia is a founding member of a payer-provider collaborative to lower administrative costs in healthcare, called the Virginia Healthcare Exchange Network (VHEN). In July 2008, VHEN released a request for information on a multi-payer eligibility portal with opportunities to facilitate all Health Insurance Portability and Accountability Act of 1996 (HIPAA) transactions. When the VHEN portal becomes available in the future, DMAS anticipates utilizing VHEN tools to lower administrative costs and improve provider service on administrative transactions.

1.2 BACKGROUND AND OVERVIEW

Since March 1985, DMAS has been the single state agency charged with administering the *Virginia State Plan for Medical Assistance*. In addition to Medicaid, DMAS is responsible for administering several additional healthcare programs. The agency currently administers the following programs for which the MMIS processes claims and other receipts and expenditures:

- **Medicaid Program:** The Virginia Medicaid program is a jointly funded, cooperative venture between the federal and state governments for the purpose of providing comprehensive medical care for certain groups of low-income individuals who are aged, blind, or disabled; members of families with children; or pregnant women.
- **FAMIS (Family Access to Medical Insurance Security) Program:** FAMIS is a non-Medicaid component of the COV's Title XXI Children's Health Insurance Program. Because it is a stand-alone program, it does not necessarily follow Medicaid rules.
- **FAMIS-Plus Program:** FAMIS-Plus is a Medicaid expansion component of the COV's Title XXI Children's Health Insurance Program. Because it is a Medicaid expansion program, FAMIS-Plus follows all Medicaid rules.
- **State/Local Hospitalization (SLH) Program:** The SLH Program is a cooperative effort between Virginia state and local governments that provides coverage for inpatient, emergency room outpatient hospital care, clinic services, care in approved ambulatory surgical centers, and care provided in local health departments to people who meet the eligibility requirements of the program.
- **Temporary Detention Order (TDO) Program:** DMAS processes all requests for payment of services rendered as a result of involuntary mental commitments through TDOs and Emergency Custody Orders (ECO).

The Virginia MMIS was developed, designed, and implemented and is currently being operated by First Health Services Corporation under a seven-year contract that expires on June 30, 2010. Initial operations started June 16, 2003. CMS certified the system in May 2004.

1.2.1 ORGANIZATIONAL STRUCTURE

DMAS has approximately 325 permanent employees who are supplemented at times by the selected use of contract personnel and temporary personnel. Except for very few personnel who are assigned elsewhere, DMAS staff members are located at the DMAS central office at 600 East Broad Street, Richmond, Virginia 23219.

The agency contracts with several vendors and other state agencies through interagency agreements for the performance of a variety services, including Fiscal Agent Services, eligibility determination, provider licensing, prior authorization, enrollment brokerage, and various auditing functions.

1.2.2 COVERED SERVICES AND DELIVERY METHODS

In addition to all services mandated by federal Medicaid legislation, the COV also covers a number of optional services and benefits, such as community mental health rehabilitative services, inpatient and outpatient psychiatric services, the Program for All-Inclusive Care for the Elderly (PACE), and Health Insurance Premium Payments (HIPP). The Virginia MMIS has been developed to support this wide array of services. Services are delivered to eligible individuals through the following means:

- A network of providers rendering traditional fee-for-service services and programs;
- A primary-care case-management program, called MEDALLION, operating in localities where Managed Care Organization (MCO) services are not available or not offered in conjunction with MEDALLION;
- A fully capitated managed care program provided through MCOs operating in 114 out of 134 Virginia localities;
- A fully capitated managed care program called the Virginia Acute and Long-term Care (VALTC) integration program, which is designed to improve the quality of life of Virginia's Medicaid-enrolled seniors and adults with disabilities. Through MCOs, VALTC operates in 25 localities throughout the Tidewater and Richmond areas of Virginia;
- Nonemergency transportation services for fee-for-service enrollees authorized and delivered by a state-wide transportation broker; and
- Dental services to children managed by a statewide Dental Benefits Administrator (DBA).

The MCOs, transportation broker, and DBA regularly submit encounter claims to the MMIS to identify the services they provide.

1.2.3 STATISTICS

Appendices E.III, F.III, and G.III provide a variety of historical statistics related to Fiscal Agent Services, Provider Enrollment Services, and Drug Rebate Services, respectively, that indicate the scope of the DMAS programs and the services provided.

2. PROPOSAL ADMINISTRATION AND REQUIREMENTS

2.1 PROPOSAL INSTRUCTIONS AND ADMINISTRATION

2.1.1 OVERVIEW

This RFP was developed to provide potential Offerors with the information required to prepare up to three proposals for the services being sought: Fiscal Agent Services, Provider Enrollment Services, and Drug Rebate Services. This section outlines the administrative procedures and guidelines for preparing each individual proposal. Nothing in this RFP constitutes an offer or an invitation to contract.

2.1.2 VIRGINIA PUBLIC PROCUREMENT ACT (VPPA)

This RFP is governed by the VIRGINIA PUBLIC PROCUREMENT ACT (VPPA), § 2.2-4300 et seq. of the Code of Virginia, and other applicable laws.

2.1.3 ETHICS IN PUBLIC CONTRACTING - §2.2-4371 AND §2.2-4372

By submitting their proposals, Offerors certify that their offers are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

2.1.4 USE OF BRAND NAMES - §2.2-4315

Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict Offerors to the specific brand, make or manufacturer named, but conveys the general style, type, character, and quality of the article desired. Any article that the public body, in its sole discretion, determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The Offeror is responsible to clearly specify and identify the product being offered and to provide sufficient descriptive literature, catalog cuts and technical detail to enable the Commonwealth to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Unless the Offeror clearly indicates in its

proposal that the product offered is an equal product, such proposal will be considered to offer the brand name product referenced in the solicitation.

2.1.5 DEBARMENT STATUS AND CURRENT TAX STATUS- §2.2-4321 AND 2.2-4321.1

By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting proposals on contracts for the type of goods and/or services covered by this solicitation. Further, Offerors certify that if they or an affiliate have failed or refused to submit any tax due under Article 2 (§58.1-320 et seq.) or Article 10 (§58.1-400 et seq.) of Chapter 3 of Title 58.1, they have entered into a payment agreement with the Virginia Department of Taxation and are not delinquent under the terms of such agreement or have appealed the assessment of the tax in accordance with law and such appeal is pending.) A statement citing the agreement or appeal status must be included in all proposals submitted to DMAS. (Note: If this procurement will be funded, in whole or in part, with funds received from the federal government, award may not be made to an Offeror that is excluded from federal procurements under the General Service Administration's Excluded Parties List System.)

2.1.6 ANNOUNCEMENT OF AWARD - §2.2-4300 ET SEQ.

Upon the award or the announcement of the decision to award a contract over $30,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (eVA Home Page) for a minimum of 10 days. No award decision will be provided verbally. Any final contract, including pricing, awarded as a result of this RFP shall be made available for public inspection.

2.1.7 LIABILITY

The issuance of this document and the receipt of information in response to this document will not cause DMAS to incur any liability or obligation, financial or otherwise, to any Offeror. DMAS assumes no obligation to reimburse or in any way compensate an Offeror for expenses incurred in connection with its proposal.

2.1.8 NONDISCLOSURE

All proposal information will be open to public inspection only after award of contract; however, any Offeror may request an opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that the issuing agency decides not to accept any of the proposals and reopen the contract.

2.1.9 PROPRIETARY INFORMATION

DMAS reserves the right to use information submitted in response to this document in any manner it may deem appropriate in evaluating the fitness of the solution(s) proposed. Ownership of all data, materials, and documentation originated and prepared for DMAS pursuant to the RFP shall rest exclusively with DMAS and shall be subject to public inspection in accordance with the §2.2-4342 of the *Virginia Public Procurement Act* and the *Virginia Freedom of Information Act*.

Trade secrets or proprietary information submitted by an Offeror or Contractor in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of §2.2-4317 shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) if the Offeror:

i) Invokes the protections of Va. Code §2.2-4342 in writing prior to or upon submission of the data or other materials,
ii) Identifies specifically the data or other materials to be protected and,
iii) States the reasons why protection is necessary.

FAILURE TO COMPLY WILL RESULT IN THE DATA OR OTHER MATERIALS BEING RELEASED TO OFFERORS OR THE PUBLIC AS PROVIDED FOR IN THE VIRGINIA FREEDOM OF INFORMATION ACT.

The Offeror must provide as a separate appendix to its proposal a list of all pages in the proposal and a specific identification of the data or materials to be protected and the reason it deems such information proprietary. Only pages referenced in that list will be treated as proprietary. The classification of an entire proposal as proprietary or trade secret is not acceptable and may be deemed nonresponsive. In addition, the Offeror shall submit a redacted (proprietary and confidential information removed) electronic copy in PDF format of its entire submission, CD-ROMs No. 1-4 from Section 2.1.10 Proposal Protocol, to be used in those circumstances where public proposal review is needed.

2.1.10 PROPOSAL PROTOCOL

In order to be considered for selection, an Offeror is to submit a complete separate response to the requirements for the Fiscal Agent Services, or Provider Enrollment Services, or Drug Rebate Services being proposed in this RFP no later than 2:00 PM Eastern Standard time on the date specified in the Timetable set forth in this section. The contents for CDs are outlined in Section 2.2, Proposal Format Table 2.2. If the Offeror is submitting proposals on all three contracts, three separate responses are required.

The protocol for submitting hard copy proposals as well as CD ROMs No. 1 – 4 after formatting according to Table 2.2 is as follows:

1) One (1) complete original hardcopy bound or contained in a single volume where practical, with permission to make copies, and CD-ROMs No. 1-4;
2) Ten (10) hardcopies, bound or contained in a single volume where practical, of contents of CD-ROM No. 1 and No. 4;
3) Seven (7) sets of CD-ROM No. 1 and No. 4;
4) Three (3) sets of CD-ROMs No. 2 and No. 3; and
5) One (1) each of fully redacted (proprietary and confidential information removed) CD-ROMs No. 1-4.

Original hardcopy proposals shall be typed, bound, page-numbered, and single-spaced with a 12-point font on 8 1/2" x 11" paper with 1" margins and printed on one side only. Each copy and all documentation submitted shall be contained in single three-ring binder volumes where practical. A tab sheet keyed to the Table of Contents shall separate each major section. The title of each major section shall appear on the tab sheet.

Proposals must be submitted to the following location:

Attention: Chris Banaszak
Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, VA 23219

Hand Delivery or Courier to:
Attention: Chris Banaszak
Department of Medical Assistance Services
7th Floor DMAS Receptionist
600 East Broad Street
Richmond, VA 23219

Proposals may be sent by US mail, Federal Express, UPS, etc.

All proposal materials are to be provided in either Microsoft Word or Excel, as specified. A proposal submitted for consideration should be clearly marked on the outside cover of all envelopes, CDs, boxes or packages with the following:

Name of Offeror
Street Address or P.O. Box Number
City, State, Zip Code

RFP# 2008-02 MMIS Services: _____(Fiscal Agent Services, or Provider Enrollment Services, or Drug Rebate Services)

The proposal is to be signed by an authorized representative of the Offeror.

Proposals should be prepared and organized as indicated in Section 2.2, Proposal Format, providing a concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

The Offeror should be prepared to incorporate all statements made in its proposal in response to:

a) Fiscal Agent Services – Section 2, Section 4, Appendices A, C, E.I, E.II, E.IV and E.V into the final contract; or
b) Provider Enrollment Services – Section 2, Section 5, Appendices A, C, F.I, F.II, and F.IV into the final contract; or
c) Drug Rebate Services – Section 2, Section 6, Appendices A, C, G.I, G.II, and G.IV into the final contract.

Any and all information that the Offeror is unwilling to incorporate into a final contract must be noted as such (crossed out) and any revision marked in **BOLD CAPS** in the section or appendix.

2.1.11 SINGLE POINT OF CONTACT

Submit all inquiries concerning this RFP in writing by email, subject: "Questions on RFP # 2008-02" to:

Single Point of Contact (SPOC): Sylvia Hart
Email: RFP2008-02@dmas.virginia.gov

In order for questions to be considered, an Offeror is to submit all questions regarding this RFP no later than 2:00 PM Eastern time on the date specified in the Timetable set forth in this section. With the exception of the pre-proposal conference, no questions will be addressed orally.

To ensure timely and adequate consideration of proposals, Offerors are to limit all contact, whether verbal or written, pertaining to this RFP to the designated SPOC for the duration of this proposal process. An Offeror who communicates with any other employees or Contractors of DMAS concerning this RFP after issuance of the RFP may be disqualified from this procurement.

2.1.12 PRE-PROPOSAL CONFERENCE

A mandatory pre-proposal conference will be conducted at 10:00am on September 5, 2008 at the Department of Medical Assistance Services 7th Floor Conference Room, 600 E. Broad Street, Richmond, VA 23219. The purpose of this conference is to give potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation. Due to the importance of all Offerors having a clear understanding of the scope of work and requirements of this solicitation, attendance at this conference is required. To ensure adequate accommodations, Offerors need to

register with the SPOC: Sylvia Hart by sending an e-mail to RFP2008-02@dmas.virginia.gov stating the name of Offeror and Offerors participating representatives. Due to space limitations, Offerors will be limited to two representatives each. For planning purposes, DMAS asks Offerors to register with Sylvia Hart not later than 1:00 pm local time on the day prior to the conference.

2.1.13 EVALUATION PROCESS

The Evaluation process is divided into four phases. Each phase is identified with a corresponding number to the Evaluation Criteria posted on the DMAS RFP 2008-02 Web Site. 1) DMAS will review each proposal received by the due date and in time to determine whether it meets the Must Have (M) factors of this RFP. All Must Have factors are evaluated on a met or not met basis. Any proposal that does not meet all of the Must Have factors will be set aside and receive no further consideration.

The proposals that meet all the Must Have criteria will be distributed to the evaluation teams who will assess and score each Offeror's responses to procurement areas for Fiscal Agent Services, or Provider Enrollment Services, or Drug Rebate Services based on a review of the submitted materials, excluding proposal costs and small business plans.
2) DMAS may then elect, in its judgment, to continue the evaluation of the highest scoring proposal(s)/Offeror(s) and may request that Offerors clarify or explain certain aspects of their proposals.

At any point in the evaluation process DMAS may employ any or all of the following means of evaluation:

- Reviewing industry research
- Offeror presentations
- Site visits
- Contacting Offeror's references
- Product demonstrations/pilot tests
- Requesting Offerors elaborate on or clarify specific portions of their proposals.

DMAS may, in its judgment, limit all of the above to the highest scoring proposals. No Offeror is guaranteed an opportunity to explain, supplement or amend its initial proposal. Offerors must not submit a proposal assuming that there will be an opportunity to negotiate, amend or clarify any aspect of their submitted proposals. Therefore, each Offeror is encouraged to ensure that its initial proposal contains and represents its best offering.

Offerors should be prepared to conduct product demonstrations, pilot tests, presentations or site visits at the time, date and location of DMAS' choice, should DMAS so request.

3) DMAS will select for negotiation Offeror's whose proposals deemed to be fully qualified and best suited based on the factors as stated in the RFP. Negotiations will then be conducted with these Offerors. It is at this point that pricing, small business plans and

contract terms and conditions will be considered and negotiated. For purposes of this RFP, DMAS will determine best value based on the value relative to the cost of the service/solution, giving consideration to the project's budget objectives and the total cost of ownership. 4) After negotiations are completed, DMAS shall select the proposal(s) that, in its opinion, represents the best value and may award a contract(s) to that Offeror(s).

If any Offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, DMAS may terminate negotiations with that Offeror at any time.

DMAS reserves the right, at its sole discretion, to reject any proposal or cancel and re-issue the RFP. In addition, DMAS reserves the right to accept or reject in whole any proposal submitted, and to waive minor technicalities when in the best interest of the Commonwealth. **DMAS SHALL NOT BE CONTRACTUALLY BOUND TO ANY OFFEROR PRIOR TO THE EXECUTION OF A DEFINITIVE WRITTEN CONTRACT.**

2.1.14 EVALUATION FACTORS

The evaluation factors involved in this RFP are as follows:

i) Must Have (M) factors identified in Table 2.1.14 below:

Table 2.1.14: Must Have Factors

#	Must Have (M) Factors
1.	(M) Proposal must be received by the due date. No late proposals will be accepted for review.
2.	(M) If awarded a contract pursuant to this RFP, Offeror agrees to be bound by all the laws of the Commonwealth of Virginia and all Federal laws and regulations pertaining to this transaction.
3.	(M) Offeror must provide a response to Section 2 and a separate response and proposal for each procurement identified. For example, if an Offeror wants to be considered for all three (3) contract service areas, the Offeror must submit three (3) separate proposal responses.
4.	(M) If the Offeror is submitting a proposal for Fiscal Agent Services, the procurement must be for a takeover of DMAS' existing MMIS, a new system will not be considered.
5.	(M) Offeror must submit its one-time Takeover cost separate from the cost proposal for each procurement section. The Commonwealth of Virginia reserves the right to negotiate the Takeover fee.
6.	(M) Offeror must submit a signed copy of the Appendix A.II Service Level Methodology.
7.	(M) Offeror must submit a Takeover approach plan at time of proposal. The plan requirements are identified in Appendix E.I, Appendix F.I, and Appendix G.I in the Takeover section. A separate Takeover approach plan for each procurement identified is required. For example, if an Offeror wants to be considered for all three (3) contract service areas, the Offeror must submit three (3) separate Takeover responses.
8.	(M) Representative(s) of Offeror must have attended the mandatory pre-proposal conference.

ii) The extent to which the Offeror's proposal meets the requirements identified in Sections 2, 4 and Appendices A, C, and E, or Sections 2, 5 and Appendices A, C, and F, or Sections 2, 6 and Appendices A, C, and G;

iii) Offeror's viability and past performance (see Section 2.3 Offeror Profile);

iv) Price that may include submitted price, negotiated price, or discounted price;

v) Small Business Subcontracting Plan – Offeror's planned utilization of Department of Minority Business Enterprise (DMBE) – certified small businesses, to include businesses owned by women and minorities when they have received DMBE small business certification, in the performance of contracts to be awarded as a result of this solicitation. The submission can account for up to 20 percent of the RFP total points.

2.1.15 PROCUREMENT WEBSITES

The Commonwealth of Virginia's procurement portal, http://www.eva.virginia.gov, provides information about Commonwealth solicitations and awards. Offerors are encouraged to check this site on a regular basis and, in particular, prior to submission of proposals, to identify any amendments to the RFP that may have been issued. The Department of Medical Assistance Services reference library for this RFP, http://www.dmas.virginia.gov\2008-02 reference library, provides reference materials to assist in the response to the RFP.

2.1.16 TIMETABLE

The following timetable is provided for planning purposes only.

Table 2.1.16: Timetable

Activity	Completion Date
RFP posted to eVA	August 13, 2008
Offeror pre-proposal conference	September 5, 2008
Deadline for all questions	October 17, 2008
Proposals due	November 14, 2008
Orals, demonstrations, and site visits that are scheduled optional to DMAS	February 6, 2009
Contract (s) awarded	April 1, 2009

2.1.17 NOTICE OF AWARD

Upon the award of a contract as a result of this RFP, DMAS will promptly post a Notice of Intent to award at http://www.eva.virginia.gov. No award decision will be provided verbally. Any final contract(s), including pricing, awarded as a result of this RFP shall be made available for public inspection.

By the date of award, the selected Offeror(s) is required to be registered and able to accept orders through eVA. The Offeror must have completed and submitted a CGI-AMS Inc. Buysense Terms of Service Agreement and an Offeror Trading Partner Agreement (TPA) through the Commonwealth of Virginia's e-procurement website (eVA) located at http://www.eva.virginia.gov. If an Offeror is not registered with eVA, the following website, http://www.eva.virginia.gov/register/index.htm is available for registration assistance.

2.1.18 REQUIREMENTS MATRICES

Offerors are required to indicate their capability of fulfilling all requirements on the appropriate requirements matrix for each component of the RFP for which they submit a proposal. The structure of the RFP results in three separate areas of requirements as follows:

- Appendix E.I: Fiscal Agent Services Business and Functional Requirements
- Appendix F.I: Provider Enrollment Services Business and Functional Requirements
- Appendix G.I: Drug Rebate Services Business and Functional Requirements

Each Offeror's response will be reviewed and compared independently against the requirements of the RFP, in order to determine the best solution for meeting DMAS' requirements. Except as noted, all questions and Offeror responses will apply to any user (Offeror's employee or agent) of a potential resulting contract. All questions should be answered in the order they are posed. Offerors are requested to copy the actual question, and question number, at the beginning of their responses in order to facilitate ease of review.

Suppliers are required to indicate their capability of fulfilling each specific requirement listed in Appendix E.I: Fiscal Agent Services Business and Functional Requirements **or** Appendix F.I: Provider Enrollment Services Business and Functional Requirements or Appendix G.I: Drug Rebate Services Business and Functional Requirements. Each Supplier's responses will be reviewed and compared across suppliers within each service type in order to determine the best solutions for the Commonwealth. Detailed requirements are presented in questionnaire format to facilitate direct responses and establish accountability regarding delivery of the application by the Supplier. To respond to each requirement, Supplier is asked to enter, in the space provided in the column labeled "Supplier Response", a code that best corresponds to its intended response for the requirement listed.

The acceptable codes for column are as follows:

Y – "Yes" – Supplier can fully meet the requirement as documented with its current application or proposed solution. If applicable, Supplier is to provide in the column labeled "Comments" an explanation of how it will fulfill the requirement. Supplier may also use "Comments" column to cross-reference a detailed explanation included in an attachment of its proposal.

F – "Yes, Future" – Supplier will be able to fully meet this requirement in the near future (during the Takeover period and prior to the Implementation Date). Supplier SHALL provide a proposed start date, and cross-reference any attached documentation in the "Comments" column.

N – "No" – Supplier cannot meet the requirement and has no firm plans to be in the position to meet this need within the Takeover period.

A blank or "NA" in any box in "Supplier Response" column will be interpreted by DMAS as an "N".

DMAS has posed some open-ended questions. In those instances, Offerors are to provide adequate information to allow DMAS to evaluate their proposals properly. If a question is followed by "Describe the Approach" or "Provide a Plan", the Offeror should limit the response to five (5) pages of 8.5" x 11" sheets of paper.

2.2 PROPOSAL FORMAT

Offerors are to adhere to the specific format set forth in Table 2.2 that follows, to aid the evaluation team in its efforts to evaluate all proposals fairly and equitably. Proposals that deviate from the requested format will require additional time for review and evaluation. DMAS may reject any proposal that is not in the required format, or does not address all the requirements of this RFP.

Proposals should be written specifically to answer this RFP. General "sales" material should not be used within the body of the proposal, and any additional terms or conditions on the "sales" material will be considered invalid. If desired, Offerors may attach such material in a separate appendix. It is essential that the proposal be thorough and concise. Offerors should avoid broad, unenforceable, or immeasurable responses and should include all requested information in each section as indicated below.

In order to facilitate DMAS' review of the submitted proposals, Offerors are to provide the requested information in the following format. OFFEROR SHALL PLACE ITS NAME, not "DMAS", IN EACH FILE NAME (e.g., ABC Corp ECM Integration Transmittal.doc). Quantities of each CD are specified in Section 2.1.10, Proposal Protocol. DMAS will not separate a proposal into the requisite CDs.

Offeror's Proposal Format

Table 2.2: Proposal Format

CD-ROM No.	Section Title	Contents/Deliverables (Each a separate file)
1.	Transmittal	A signed cover letter, identifying the individuals authorized to negotiate on behalf of the Offeror and their contact information. A copy of a completed eVA registration confirmation.
1.	Executive Summary	Top-level summary of the most important aspects of the proposal, containing a concise description of the proposed solution(s). Requested limitation: 10 pages.
1.	Detailed Description of Proposed Solution(s)	Offeror's response by item number, clearly identifying and detailing the proposed solution, and any processes, methodologies, and resources required by the solution type defined in Section 4 and Appendix E.I, or Section 5 and Appendix F.I, or Section 6 and Appendix G.I. In addition, each Offeror's high level Takeover approach plan response must be included. Any comments in the form of a redline markup for Service Level Agreements for E.II, F.II or G.II must be included, as well.
1.	Contractor's Optional Appendices to Proposals	Any optional information Offeror may wish to submit, not including pricing data.
2.	Pricing	Detailed pricing as specified in Section 4.4, 5.4, or 6.4. Submitted in a separate envelope a hard copy file and CD. Do not include any pricing data in any other section of the proposal.
3.	Contracts	Any comments, in the form of redline markup, regarding DMAS' proposed contractual terms and conditions pursuant to Section 2.4, and the completed table from Section 2.4, Table 2.4 Supplier Declaration.
4.	Offeror Profile	See Section 2.3 Offeror Profile for content and page limitations.

By submitting a proposal, Offerors certify that all information provided in response to this RFP is true and accurate.

2.3 OFFEROR PROFILE

Offeror Corporate Overview

Business
Offeror shall state its core business, background, and experience in the relevant market, (not to exceed 3 pages).

Corporate Identity
Offeror shall provide the identity of any parent corporation, including address, phone and fax numbers, FEIN or tax ID No., company website and contact email. Offeror shall also provide the identity of any subsidiaries, as applicable not to exceed three (3) pages.

Organization and Structure
Offeror is asked to provide an overview of its organizational operating structure and describe the operational and functional relationships of the business units of its organization, as they relate to Offeror's proposal and DMAS' stated needs and requirements. Organizational charts are helpful supplements to the descriptions.

Offeror should indicate whether it expects to provide the service with existing resources or plans to secure additional resources by partnering or subcontracting. If applicable, Offeror should identify the additional resources required to provide the service included in its proposal and the timetable for obtaining such resources.

Locations
Offeror shall describe the geographical locations of its firm at the national, regional, and local levels, as applicable. Offeror shall identify all locations that will be used to support a resultant contract and the operations handled from these locations (particularly note any Virginia-based locations that will be used). Offeror should clearly identify any overseas locations, which may be used to support the resultant contract or any related data transactions.

Strategic Relationships
Offeror is asked to identify strategic relationships with other related Offerors. Offeror shall state all subcontractors expected to be employed and outsourced service to be used in implementing the proposed solution. DMAS reserves the right to request that the Offeror provide all information described in this section for any and all major subcontractors proposed by Offeror.

ISO 900X Certification
Offeror shall indicate if it is ISO 900X certified. Yes or no is sufficient. If "yes", Offeror shall identify the area(s) in which it is certified (for example services, manufacturing).

Council for Affordable Quality Healthcare Certification
Supplier shall indicate if it is **Council for Affordable Quality Healthcare (CAQH)** certified. Yes or no is sufficient. If "yes", Offeror shall identify the area(s) in which it is certified. Supplier should also indicate expiration dates of current certifications.

Financial Information

Total Annual Revenue
Offeror shall state total annual revenue and indicate the revenues associated with the provision of service relevant to its proposal. For example, if the Offeror is submitting a proposal for the Fiscal Agent Services Contract, the Offeror should indicate the dollar amount or percent of total annual revenue that has come from providing these services.

Dun and Bradstreet Credit Report
Offeror shall include its current full Dun and Bradstreet (D&B) Business Report, if D&B issues reports on Offeror.

Annual Reports
Offeror shall provide certified, audited financial statements (i.e., income statements, balance sheets, cash flow statements) for the most recent three (3) years. (Offerors having been in business for a shorter period of time shall submit any available certified, audited annual financial statements.) DMAS may request copies of or access to current and historic annual reports. DMAS reserves the right to access an Offeror's publicly available financial information and to consider such information in its evaluation of such Offeror's proposal.

Offeror Experience

Offeror Experience Level and Customer References
The Offeror should demonstrate a proven record of providing service similar to those defined in Sections 4, 5, or 6 to customers of similar scope and complexity. The Offeror shall provide three (3) customer references, with contact names, email addresses, phone numbers, solution descriptions, and dates implemented which DMAS may use in reference checking. These references should be with end-user organizations. DMAS will make such reasonable investigations as deemed proper and necessary to determine the ability of an Offeror to perform a resultant contract. These may include, but may not be limited to, reference checks and interviews. The references must be from organizations where Offeror is providing (or has provided) services that are similar in type and scope to those identified in Sections 4, 5, or 6.

The format for the three (3) required references should follow the examples below:

Table 2.3.1: Reference 1 Organization Name _____

Point of Contact Name(s)	Email	Phone Number
Solution Description:		
Date Implemented:		

Table 2.3.2: Reference 2 Organization Name _____

Point of Contact Name(s)	Email	Phone Number
Solution Description:		
Date Implemented:		

Table 2.3.3: Reference 3 Organization Name _____

Point of Contact Name(s)	Email	Phone Number
Solution Description:		
Date Implemented:		

In addition, Offeror is asked to provide a synopsis or case study of results attributable to its commitment to high quality and increased operating efficiency. This is requested to demonstrate the added value the Offeror can offer and indicate the typical ongoing cost reductions and solution efficiencies DMAS could expect to realize.

Supplier Small Business

Small Business Enterprise

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation and strengthening of small businesses including small businesses owned by women, minorities or service-disabled veterans, to encourage their participation in state procurement activities. The Commonwealth encourages all Offerors to provide for the participation of these small businesses through partnerships, joint ventures, subcontracts, and other contractual opportunities. Appendix A.I: Small Business Subcontracting Plan contains information on reporting subcontractor spend data.

An Offeror that is a small business, and is certified by the Department of Minority Business Enterprise (DMBE), should include a copy of its certification or its certification number in its proposal. In order to receive credit for certification with the Virginia DMBE, the certification proof must show valid certification before the due date and time of the proposal submission. An Offeror which is a small business but which is not yet certified with DMBE can register at http://www.dmbe.virginia.gov.

Offerors are encouraged to provide a Small Business Subcontracting plan as set forth in Appendix A.I: Small Business Subcontracting Plan. A Small Business Plan can account for up to 20 percent of the RFP total points assigned.

Service and Support Management

Offerors must name key staff as outlined in the staffing section and provide three (3) relevant references with contact information. The references should follow the format in the example below.

Fiscal Agent Services:

Table 2.3.4: Executive Account Manager Name _____

Name of Reference	Phone #	Email Address

Table 2.3.5: Systems Development Manager Name _____

Name of Reference	Phone #	Email Address

Table 2.3.6: Business Operations Manager Name _____

Name of Reference	Phone #	Email Address

Table 2.3.7: Software Quality Assurance Manager Name _____

Name of Reference	Phone #	Email Address

Table 2.3.8: Business Quality Assurance Manager Name _____

Name of Reference	Phone #	Email Address

Table 2.3.9: Claims Operations Supervisor Name _____

Name of Reference	Phone #	Email Address

Table 2.3.10: Financial Operations Supervisor Name _____

Name of Reference	Phone #	Email Address

Table 2.3.11: Pharmacy Clinical Manager Name _____

Name of Reference	Phone #	Email Address

Provider Enrollment Services:

Table 2.3.12: Executive Account Manager Name _____

Name of Reference	Phone #	Email Address

Table 2.3.13: Quality Assurance and Training Specialist Name _____

Name of Reference	Phone #	Email Address

Table 2.3.14: Provider Enrollment Services Supervisor Name _____

Name of Reference	Phone #	Email Address

Drug Rebate Services:

Table 2.3.15: Rebate Pharmacist Name _____

Name of Reference	Phone #	Email Address

Table 2.3.16: Rebate Support Analyst Name _____

Name of Reference	Phone #	Email Address

2.4 DMAS STANDARD AGREEMENT RFP 2008-02

Any resulting agreement shall be defined by a written contract, which shall be binding only when fully executed by both parties. A copy of DMAS' standard service contract is provided as part of this RFP as separate documents for Fiscal Agent Services Appendix E.V, for Provider Enrollment Services Appendix F.IV, and for Drug Rebate Services Appendix G.IV.

If a Supplier's proposed service requires DMAS to execute a license, supplier shall contact the DMAS SPOC, who will provide supplier with DMAS' Software License Agreement Terms.

The final terms and conditions of the contract shall be agreed upon during negotiations; however, DMAS' business requirements are embodied in its standard agreements and Supplier is to give them the same careful review and consideration as the other requirements set forth in this RFP.

Supplier should provide its comments regarding any exceptions in the form of margin notes or redline the document with your suggested language where required. DMAS will reject any newly proposed edits, deletions or additions raised after the proposal due date. Suppliers are encouraged to use the SPOC to address any questions they may have regarding any part of the DMAS Contract. DMAS requires Service Level Agreements to be part of this contract. The Service Level methodology must be referenced in Appendix A, RFP Required Forms and Explanations.

Supplier shall include the completed table below in its response to this RFP.

Table 2.4: Supplier Declaration

Issue:	Supplier's response (Y or N)
Does Supplier agree that the contents of its response to this solicitation may become part of any contract that may be entered into as a result of this RFP?	
The contract will include performance standards, measurement criteria and significant corresponding financial remedies. Does Supplier agree to include the Service Levels and remedies for noncompliance as defined in RFP Appendix A, E, F, or G in the final contract?	
Does Supplier agree that all provisions of the DMAS Contract NOT redlined or so noted are acceptable?	
Does Supplier acknowledge that no money may be used to obtain any service under a contract awarded, pursuant to this RFP, to any supplier who appears on any of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs?	
Does Supplier agree with and comply with all the "must have factors" listed in the Table 2.1.14 of Section i) of this RFP?	
Does the Supplier acknowledge that the proposal submitted shall be valid through the contract award date?	
Do you affirm that your organization and all affiliates agree to comply with all state and federal laws and regulations with regard to handling, processing, or using Healthcare Data, to include but not limited to HIPAA.	
Do you affirm that your organization and all affiliates are current with all sales tax obligations to the Commonwealth as of the due date of the proposals in response to this RFP?	
Do you affirm that your organization and all affiliates are not excluded from participating with federal procurements; i.e., not included in the General Service Administration's Excluded Parties List System, as of the due date of the proposals in response to this RFP?	
Do you agree to accept the provisions at the following URLs: .http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf and the eVA provisions at http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf and the contractual claims provision §2.2-4363 of the Code of Virginia.	

3. VIRGINIA MEDICAID ENTERPRISE ARCHITECTURE

This section provides information about the current Virginia Medicaid Enterprise Architecture (MEA). Detailed information is located in Appendix D Technical Architecture Attachment.

3.1 OVERVIEW

The Virginia MEA consists of all commercial hardware, systems software, telecommunications, and custom application software used to support the mission of DMAS. It consists of the following components:

- Fiscal Agent (FA) Technology: This component contains all the commercial hardware, systems software, and telecommunications provided and operated by the Contractor to support the hosting of and transparent access to the MMIS, including the application software, tightly integrated Commercial Off-the-Shelf (COTS) software products, and related documentation; and
- DMAS Technology: This component contains all the commercial hardware, systems software, and telecommunications located at DMAS. The technical components will be operated and maintained by the Virginia Information Technologies Agency (VITA). (VITA is the Commonwealth's consolidated, centralized information technology organization.) While technical operational support for DMAS Technology is not within the scope of this RFP, software maintenance support for the identified custom application software in use on the COV-owned platforms is part of this RFP.

To help support and better describe the structure of this RFP, as well as the COV's long-term technology objectives, the Virginia MEA described above is being redefined to include:

- MMIS Core Technology: Currently part of the FA Technology, this component will be defined on its own and specifically contains all the commercial hardware, systems software, COTS products integrated into the MMIS, and custom application software used for hosting the MMIS and related documentation.

- Provider Enrollment Services Technology: This component contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the PES Contractor's proposed business services staff. The PES Contractor's technology must connect with the MMIS Core Technology as well as with the DMAS Technology.

- Drug Rebate Services Technology: This component contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the Drug Rebate Contractor's proposed business services staff and Drug Rebate system. The Drug Rebate Contractor's technology must connect with the MMIS Core Technology as well as with the DMAS Technology.

Offerors submitting a proposal for the Provider Enrollment Services and Drug Rebate Services Contracts must interface with the applicable platforms in conformance with any requirements and standards defined.

Refer to the appropriate RFP sections for security, back up and recovery, disaster recovery, and enhancements.

3.2 OTHER RELATED CONTRACTS

There are no related contracts other than COTS software licenses.

3.3 VIRGINIA MEDICAID ENTERPRISE ARCHITECTURE TOPOLOGY

Figure 3-1 is a conceptual depiction of the current Virginia MEA. The circled numbers used in the diagram reference the information contained in the remainder of the section.

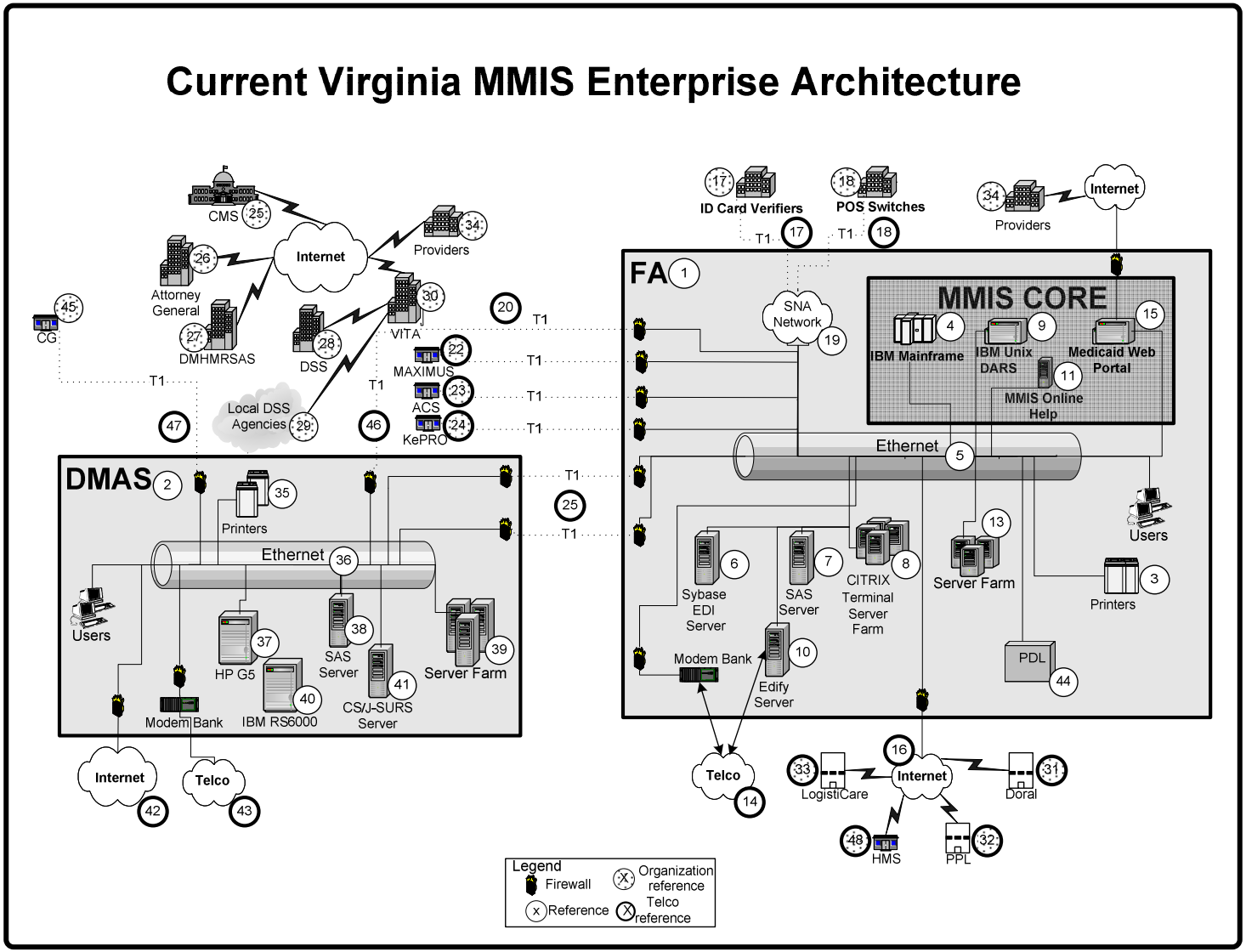

Figure 3-1 Current Virginia MMIS Enterprise Architecture

3.4 FISCAL AGENT TECHNOLOGY

This section details information from Diagram Reference #1, Fiscal Agent, in Figure 3-1 Current Virginia Medicaid Enterprise Architecture.

3.4.1 PLATFORMS

The following table contains information on FA platforms. Notes 1 and 4 are applicable to all platforms.

Table 3.4.1

Diagram Ref #	Make/ Model	Operating System	Data Base	Environments	Total Users	Use
3	Printers (5)	N/A	N/A	Various line and laser printers.	All	All MMIS outputs are stored in FirstDARS™ (Diagram Ref #9). Printers used as requested/necessary.
4	IBM/ Model 9672 Mainframe Production LPAR: 381 MIPS, 2048 MB real storage, 1536 MB extended storage. Test LPAR: 95 MIPS, 1280 MB real storage, 1184 MB extended storage. CICS Sockets, Release 2.3. Enterprise Extender. TCP/IP version 4.1. TSO-MVS 2.6. Please note that a mainframe SAS license will be required.	IBM OS/390 X37 Version of Z/OS 1.4 FA has IBM extension for support of Z/OS 1.4. Plan to upgrade to Z/OS 1.8 but no timeframe available	IBM DB2 Version 7.0 FA plans to upgrade to version 8.0 but no timeframe available	*Production maintenance - Development and unit test (UT) *Production maintenance – QA/User testing (QA) *Release – Development and unit test (DU) *Release – System Integration Testing/ Software Quality Assurance (SQA) (DS) *Release – QA/User testing (DQ) *Department if Social Services (DSS) MMIS test *DSS MMIS training *MMIS Production	4755 (Note 5)	MMIS subsystems: Reference, Provider, Recipient, Claims, Financial, Drug point-of-sale (POS), Third Party Liability (TPL), Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), Management and Administrative Reporting (MARS), Surveillance and Utilization Review (SURS) and external interfaces.
6	Intel based (2)	Microsoft Windows 2003 Server	Sybase Database Version 6.0.1 Translator	Development Test Production	7 MCOs, 730 Service Centers, 1 Logisti-	EDI

Diagram Ref #	Make/ Model	Operating System	Data Base	Environments	Total Users	Use
			Version 5.1		Care, and 1 Doral	
7	Intel based (3) HP ProLiant DL360 G3, CPU Dual 2.4 GHz, RAM 4 GB, Storage 146 GB	Microsoft Windows 2000 Server	SAS products: PC SAS 9.1.3 SAS/ ACCESS, SAS/STAT, SAS/Internet, SASGRAPH	Development – Ad hoc reporting Production – Virginia MMIS Extract file library	73	Ad hoc reporting Data analysis
8	Intel based (1)	Microsoft Windows 2000 Server	CITRIX Mainframe Presentation Server 4.0		92 (Note 2)	Terminal server farm used for single point of entry and security.
9	IBM Unix System P5 510Q (1) CPU 1.6 GHz RAM 4 GB Storage 146 GB	IBM AIX Version 5.3.0.0	IBM OnDemand Version 7.1.2.4	Development Test Production	441	Server for VAMMIS Document Archival and Retrieval System (FirstDARS™). An electronic library of all MMIS output reports and claim images.
9	IBM Unix System P5 510Q (1) CPU 3.2 GHz RAM 3.5 GB Storage 12 GB	IBM AIX Version 5.3.0.0	Remedy Version 6.3 w/patch20	Development Test Production	77	Custom Remedy application used to support CM DMAS, Information Service Requests (ISRs) Tracking System.
10	Intel based (3) CPU 3.06 GHz RAM 4 GB Storage 33 GB CPU 3.2 GHz RAM 3 GB Storage 33 GB	Microsoft Windows 200X Server	Edify® Version	Development Testing Production	62 (Note 3)	Used for: Voice response system with interface to MMIS.
11	Intel based (1) Storage 1.5 GB	Microsoft Windows 200X Server	MS Access	Production	441	Used for: Web access to MMIS system documentation. Anonymous login for DMAS users.
13	Intel based (12) MediCall Server- CPU 1.4 GHz RAM 4 GB Storage 100 GB	Microsoft Windows 200X Server	Hummingbird DM 5.1.0.5	Development Test Production	578	Generic file and intranet servers as well as providing the following specific needs: Web-based online Help for VAMMIS Server for GUI files for

Diagram Ref #	Make/ Model	Operating System	Data Base	Environments	Total Users	Use
	Hummingbird Storage 203 GB				17	ClientBuilder Web-based online system documentation. Secure & unsecured FTP servers File servers
15	Intel based (5) (3) CPU 3 GHz RAM 4 GB Storage 25 GB (1) CPU 3 GHz RAM 4 GB Storage 67 GB (1) CPU 2 GHz RAM 4 GB Storage 272 GB	Microsoft Windows 200x Server	N/A	Production		Used for: Web access to MMIS via FA Medicaid web portal. Fiscal agent proprietary partial content: 1) Automated Response System (ARS) 2) EDI Companion Guides 3) User Administration Console (UAC) URL: https://virginia.fhsc.com
43	Conceptual Depiction (RS6000) (1)	AIX	Oracle	Development Production		Fiscal agent proprietary technology that supports Virginia Preferred Drug List (PDL) program under a separate contact. Has a real-time interface with MMIS.

Notes:

Note 1: The platforms listed are not for exclusive use by Virginia. The counts are users supporting Virginia Medical Assistance programs.

Note 2: DMAS users and others access MMIS through CITRIX servers (OAG and DMHMRSAS) have access to FirstDARS™, online help, and online system documentation. Hummingbird™ is also accessed via CITRIX.

Note 3: User count is not applicable. Transactions volume specified.

Note 4: User counts vary as staff come and go; however, the user population has been stable at the levels indicated for a long period of time.

Note 5: Includes FA technical and operations staff – 75 users.

3.4.2 NETWORK

The following table contains information on the FA network.

Table 3.4.2

Diagram Ref #	Protocol	Backbone	Comments
5	TCP/IP (5)	1000BaseFX Ethernet	Nortel Passport 8610 10/100/1000 Switch, Nortel BCM Provider Call Center-Nortel Automated Call Distributor, 3 Primary Rate Interfaces each with 23 lines.
See multiple Firewall symbols in diagram	TCP/IP	Firewall	• iChain proxies, • Web servers • FTP servers • Remote access • VPN appliances • SSL FTP servers • EDI gateway • MMIS access

3.4.3 EXTERNAL ORGANIZATIONS

The following table contains information on external organizations.

Table 3.4.3

Diagram Ref #	Name	Description	Users	Access type	Hours
17	Recipient Eligibility Verification vendors (5)	Recipient eligibility verification	1,747 (Note 5)	Real-time System Interface	24X7
18	POS Switches (5)	Drug POS.	2300	Real-time System Interface	24X7
22	MAXIMUS (1)	DMAS Contractor for Managed Care Enrollment Broker	31	Terminal (GUI) FTP files	Normal business hours (Note 1)
23	ACS (1)	DMAS Contractor for FAMIS Enrollment Broker	84	Terminal (GUI) FTP files	Normal business hours (Note 1)
24	KePRO (1)	DMAS Contractor for Prior Authorization services	49	Terminal (GUI) FTP files	Normal business hours (Note 1)
25	CMS (1)	Federal program sponsoring Agency. Centers for Medicare and Medicaid Services.	-	FTP (Note 2)	24X7
26	Virginia Office of Attorney General (1)	Investigation support	26	Terminal (via internet/ CITRIX)	Normal business hours (Note 1)
27	DMHMRSAS (1)	Department of Mental Health, Mental Retardation and Substance Abuse Services	7	Terminal (via internet/ CITRIX)	Normal business hours (Note 1)
28	DSS (1)	Department of Social Services central office. Uses VITA data center.	4,087	N/A (Note 3)	N/A (Note 3)
29	Local Agencies (122)	Local DSS agencies providing services to recipients. City/county/NGO employees.	(Included in DSS central)	N/A (Note 3)	N/A (Note 3)

Diagram Ref #	Name	Description	Users	Access type	Hours
30	VITA (1)	Data center and VITA is the Commonwealth's consolidated, centralized information technology organization.	N/A	1. Real-time System Interface (ADAPT-to-MMIS) 2. Terminal sessions (CICS) 3. Direct Connect, DMAS through VITA to FA	Limited by the hours available for MMIS (Note 4)
31	Doral (1)	Product of DentaQuest, dental benefits management	13	VPN via FA Internet Access	Limited by the hours available for MMIS (Note 4)
32	PPL (1)	Public Partnerships, LLC, fiscal intermediary	14	VPN via FA Internet Access	Limited by the hours available for MMIS (Note 4)
33	LogistiCare (1)	Medicaid transportation management	3	VPN via FA Internet Access	Limited by the hours available for MMIS (Note 4)
34	Providers (59,000)	Access to Medicaid Web Portal	(Note 6)	Internet	24X7
48	HMS	Access to secure FTP server	1	Internet	Normal business hours (Note 1)

Notes:

Note 1: Normal DMAS business hours. Core business hours are 8 AM to 5 PM, Monday through Friday. There is also a 6:30 AM to 6:30 PM flextime window.

Note 2: Electronic transfer of information to CMS is via FTP. DMAS uses an existing VITA line for SSI data to FTP files to/from CMS and Social Security Administration (SSA).

Note 3: VITA provides telecommunications and the data center. See VITA (#30) for details.

Note 4: The DSS ADAPT application is available to users close to 24X7. The MMIS availability schedule is more restrictive (Monday-Friday 7AM-7PM and Saturday 6:30AM-2PM).

Note 5: Providers requested approximately 267,000 recipient eligibility verifications in Dec 07.

Note 6: 3,012 Providers made ARS requests in Dec 07 for a total of 415,156 inquiries (any ARS requests for Recipient eligibility verification are also included in REF # 17 above (Recipient Eligibility Verification vendors).

3.4.4 TELECOMMUNICATIONS

The following table describes FA telecommunications.

Table 3.4.4

Diagram Ref #	Line Leaser	Type/Speed	Line counts	Type	Comments
14	FA	Dial in phone bank	67 (MediCall)	Voice and data	• Provider access to Edify® • Remote access for FA MMIS staff
16	FA (1) IP Address	Determined by Provider	Determined by Provider	TCP/IP – Data	• Provider access to Medicaid Web Portal • All external internet access (primary security access control via CITRIX)
17,19	Recipient Eligibility Verification vendors (5)	Dedicated T1 lines	7	IBM SNA	• Swipe-card eligibility verification • LUs are K2020, K2082, K2006,l K3010, K2023, K3009, HDX, PassPort Health, Proxy Med
18,19	POS switches (5)	Dedicated T1 lines for POS switches	9	IBM SNA	• Drug POS for Pharmacies • LUs are K2082, K3006, K2020, K3010, K2160, K2128, K2000, K2023, K3009
20	DMAS (1)	Dedicated full T1	1	TCP/IP – Data	• Primary systems interface between DSS ADAPT and Virginia MMIS. • Terminal Connection to MMIS for DSS users.
22	MAXIMUS (1)	Dedicated full T1	1	TCP/IP – Data	• DMAS Managed Care Enrollment Broker
23	ACS (1)	Dedicated full T1	1	TCP/IP – Data	• DMAS FAMIS Enrollment Broker
24	KePRO (1)	VPN	1	TCP/IP – Data	• DMAS Prior Authorization Contractor
25	DMAS	Dedicated full T1	2	TCP/IP – Data	• Primary business interfaces between DMAS and FA.
41	DMAS	ATM/IMA-3	1	TCP/IP – Data	• ISP
42	DMAS	Dial in phone bank		TCP/IP – Data	• Clifton Gunderson access point • DMAS staff remote access
Not depicted on diagram	FA	2x9 Mb Frame Relay			• Bandwidth between fiscal agent's Richmond, Virginia location and Verizon data center in Indiana
Not depicted on diagram	FA	2x42 Mb Frame Relay			• Bandwidth between fiscal agent's Richmond, Virginia location and Arizona data center

3.5 DMAS TECHNOLOGY

This section describes information from Diagram Reference #2, DMAS, in Figure 3-1 Current Virginia Medicaid Enterprise Architecture. The platforms, network, and telecommunications are provided for information purposes. These components are owned by the COV and will be maintained and operated by VITA.

The systems interfaces and application inventory are maintained under this contract by FA technical staff resident at the DMAS site. The FA technical staff resident at DMAS also uses SAS for ad hoc reporting.

3.5.1 PLATFORMS

The following table describes the Virginia Medicaid Enterprise Architecture DMAS Technology platforms.

Table 3.5.1

Diagram Ref #	Make/ Model	Operating System	Data Base	Environments	Total Users	Use
35	HP Printers	N/A	N/A	High-speed Printers	N/A	Local printing of MMIS report(s) fragments from FirstDARS™ and general printing needs.
37	HP DL-585-G5 Replaced HP9000	Microsoft Windows 2003 Server	Oracle 11.1.06	Development and test Production	265	TPL-RS Oracle Applications Interface with Oracle GFS
38	Intel based	Microsoft Windows 2003 Server	SAS products: PC SAS	Development – Ad hoc reporting Production – Virginia MMIS Extract file library	45	Ad hoc reporting Data analysis (Primarily used by users that manipulate large SAS MMIS files)
39	Intel based	Microsoft Windows 2003 Server	N/A	Production	400	NT file and intranet servers as well as providing the following specific needs: Server for GUI files for ClientBuilder Microsoft Active Directory, Exchange and File Servers (Note 1)
40	IBM RS6000	IBM AIX Version	Oracle 9i	Development and test Production	59	Oracle GFS
41	Intel based	Microsoft Windows 2003 Server	CS/J-SURS	Production	25 Report viewers, 6 workstations (5 for DMAS one for FA maintenance)	Reporting Data analysis

Note: All agency staff uses network as well as remote dial-in entities.

3.5.2 NETWORK

The following table describes the Virginia MEA DMAS Technology local area network.

Table 3.5.2

Diagram Ref #	Protocol	Backbone	Comments
36	TCP/IP	1000BaseFX Ethernet	Dual Hub 6509 Core Switches (2)

3.5.3 EXTERNAL ORGANIZATIONS

The following table describes external organizations associated with the DMAS Technology.

Table 3.5.3

Diagram Ref #	Name	Description	Users	Interface Type	Hours
45	Clifton Gunderson (CG)	Access to DMAS LAN and MMIS via fractional T1	20	N/A	Normal business hours (Note 1)

Note: Normal office business hours. Typically, core office hours are 7AM to 5PM, Monday through Friday. There is also a 6:30 AM to 6:30 PM flextime window.

3.5.4 TELECOMMUNICATIONS

The following table describes the Virginia MEA DMAS Technology telecommunications.

Table 3.5.4

Diagram Ref #	Line Leaser	Type/Speed	Line counts	Type	Comments
25	DMAS	Dedicated full T1	2	TCP/IP – Data	• Primary business interfaces between DMAS and FA.
42	DMAS	Dedicated ATM/IMA-3	1	TCP/IP – Data	• ISP • Provides DMAS staff access to the internet.
43	DMAS	Dial in phone bank	2	TCP/IP – Data	• DMAS staff remote access
46	DMAS	Fractional T1	1	TCP/IP – Data	• Primary business interfaces between VITA and DMAS
47	DMAS	Fractional T1	1	TCP/IP – Data	• Clifton Gunderson

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4. FISCAL AGENT SERVICES

4.1 SCOPE OF WORK

The Scope of Work for the Fiscal Agent Services Contract includes taking over the current MMIS and ensuring the system is thoroughly tested and kept current with any changes made to the production MMIS and establishing the operations support functions that are needed to meet the business requirements defined. The work to be performed must adhere to a detailed takeover plan that identifies all the methodologies, procedures, and tasks needed for this complex undertaking.

The components of the Scope of Work are described in the sections that follow. The detailed requirements are defined in Appendix E.I.

4.1.1 BUSINESS OPERATIONS SUPPORT

The Contractor must establish operational support units to address several business support functions that are to be performed by the MMIS Fiscal Agent. These are:

- Claims Processing;
- Financial Services;
- Recipient Identification (ID) Cards;
- Pharmacy Services;
- EDI Support; and
- Other Business Operations Services.

4.1.1.1 Claims Processing

This section provides information about operational responsibilities as they pertain to the claims processing operations and includes the following topics:

- Paper Input Preparation;
- Pended Claims Resolution; and
- Healthcare Assessments.

4.1.1.1.1 Paper Input Preparation

The Contractor must perform all necessary functions to process paper payment requests and other documents sent to the fiscal agent in support of claims processing. Paper payment requests are defined as original claims, adjustments or voids of previously processed claims, and the associated related attachments sent with the original claim, adjustment, or void. Attachments are also received that are associated with an electronic payment request. These are identified using the

DMAS-3 Form. The Contractor performs all of the day-to-day operations related to paper claims-related documents, including the following activities:

- receive and process miscellaneous mail;
- scan, image, process and store payment requests;
- assign a unique internal control number;
- report and resolve issues associated with paper claims processing; and
- perform ongoing quality assurance to ensure approved procedures are followed and issues are identified and resolved.

A copy of all of the claims processing paper input documents is included in the Reference Library.

Incoming paper payment requests must be reviewed to ensure that they meet a level of completeness and accuracy that is defined by DMAS. Claims that do not satisfy the established criteria are returned to the provider.

Under certain circumstances, paper payment requests will require special handling and processing. Special procedures have been identified for claims that are received by the Contractor that involve services performed as a result of Temporary Detention Orders and Emergency Custody Orders so that they are identifiable by the claims processing system. DMAS also requires special handling of claims under unique circumstances to ensure high priority claims are adjudicated appropriately. These are identified by DMAS as 'special batch' claims.

4.1.1.1.2 Pended Claims Resolution

During claims processing, validity edits and history audits cause payment requests with errors to be suspended for review by the Contractor and/or DMAS staff. Pended payment requests are automatically routed by the system to pend locations (work units) at either the Contractor or DMAS offices. Pended payment requests can include an original claim, adjustment, and void (reversal) transactions; however, for simplicity, they will be referred to as pended claims or pends. Resolving pended claims is an online function.

Claims can be retrieved online by a variety of selection methods, although normally they are automatically displayed according to oldest pended claim within the location being worked. As each pend is resolved and entered back into the claims processing system, the next pended claim is presented. However, staff has the ability to skip a claim within a pend location. If multiple staff members sign on to the same location, the system still automatically presents claims to each user in age sequence. After resolving a pended claim, the next oldest claim for that location is presented to the resolution staff member. A pended claim can only be presented to one workstation.

There are buttons ("hot" keys) on the online pend resolution screens that allow the user to retrieve and display an image of the input claim and any attachments associated with the claim. This feature is available for both paper and electronic claims. After resolution, the claim is reprocessed and adjudicated. If more errors are encountered, the system will pend the claim again and route it to the next appropriate location. Each subsequent pend condition is resolved and re-entered until the claim is either paid or denied.

While pended claims are usually presented for resolution in date order, it is possible that one may not be resolved timely resulting in an aged pend. Aged pends are listed on an aged pend report used by resolution staff to retrieve and resolve specific claim records. Such claims can be retrieved individually by provider ID, claim type, or Internal Control Number (ICN).

4.1.1.1.3 Healthcare Assessments

Healthcare Assessments are performed for the following Medicaid programs: Nursing Facility, Assisted Living, Acquired Immune Deficiency Syndrome (AIDS) Waiver, Elderly or Disabled with Consumer Direction (EDCD) Waiver, Program for All-Inclusive Care for the Elderly (PACE), Technology Assisted (Vent) Waiver, Alzheimer's Assisted Living Waiver, and the Individual and Family Developmental Disabilities (DD) and Support (IFDDS) Waiver. The processing of Healthcare Assessments includes data entry, enrollment, and turnaround document (TAD) handling, mailing, and reporting. Each type of Assessment is described below.

To determine the eligibility of recipients who may potentially be enrolled in the Medicaid program for Long-term Care (LTC) services, the MMIS uses assessment forms generated by screening providers. The Contractor processes the following types of assessments for LTC:

- Short Assessments
- Full Assessments
- Human Immunodeficiency Virus (HIV) Waiver Assessments.

The Full and Short Assessments consist of the following DMAS forms that constitute an assessment package:

- DMAS-96
- UAI
- Public Pay Short Form
- DMAS 95 MI/MR Level I (Mental Illness/Mental Retardation)
- DMAS 95 MI/MR Level II
- DMAS 97
- DMAS 101B
- Eligibility Communication Document.

Individuals may access services to the HIV/AIDS waiver by direct referral to a case manager or, direct referral to a service provider. The assessment package consists of:

- UAI
- DMAS 96
- DMAS 97.

These forms are used in combination to determine functional dependencies and medical nursing needs for LTC services. All of the forms are included in the Reference Library.

A screening provider may submit assessment packages either on paper, through mail, or by using an electronic version. For specific information related to electronic submission of assessment information, please access the following website:

http://www.dmas.virginia.gov/LTC-pre_admin_screeners.htm

The Contractor receives the forms identified above and enters the information online using the associated MMIS screens. The MMIS generates claims to reimburse the screening providers for services rendered based on the online data entry of these forms.

If Healthcare Assessment forms need additional information, they are returned with a TAD letter. If the Assessment form received was paper, a paper TAD is mailed to the screening provider to seek the additional information. When the TAD is received at the Contactor's site, the new information is entered to complete the assessment data. If the Assessment form received was electronic, an electronic TAD is transmitted to the provider seeking the additional information to complete the assessment data.

Assessment forms cannot be entered into the MMIS unless the person being assessed or screened is an eligible recipient for the date the assessment or screening took place. Since the purpose of the assessment or screening is to determine a person's eligibility for Medicaid services, it is likely that the person is not enrolled in Medicaid as an eligible recipient. If the person is not enrolled in Medicaid, the Contractor is required to add the person as a Medicaid eligible recipient in the MMIS Recipient Subsystem as part of the Assessment processing function according to DMAS policy.

4.1.1.2 Financial Services

This section provides information about the Financial Services performed by the Contractor. Using the Financial Subsystem and supplemental support systems, the Contractor performs the following primary functions:

- Receive and process returned MMIS checks;
- Process MMIS check voids;
- Receive and process personal checks;
- Issue manual checks; and
- Perform banking interfaces.

4.1.1.2.1 Returned MMIS Checks Due to Invalid Addresses

The MMIS generates two types of checks: provider and payee. The latter are payments to individuals/businesses (other than providers) for lien payments, health insurance premium payments, etc. MMIS checks may be returned based on invalid addresses. For payee checks returned due to invalid address, the Contractor sends the checks and associated check log to DMAS for processing. For provider checks returned due to invalid address, the Contractor processes checks by determining whether a corrected address has been incorporated into the MMIS, and if so, resending the checks to the correct address. If a corrected address cannot be determined by the Contractor, information related to the check and address are recorded on an associated check log and the check log is forwarded to the PES Contractor for address determination and correction as described in Section 5.1.1.7 of this RFP. The corresponding check is held by the Contractor until the PES Contractor has determined whether a valid address can be identified or not. If a valid address has been determined, the Contractor resends the check to the correct address. If there is no valid address, the check is voided according to DMAS' guidelines.

4.1.1.2.2 MMIS Check Voids for checks Returned by Provider or Payee

MMIS checks issued are voided because the provider or payee requests a void for a payment that is not theirs. Checks are voided according to DMAS guidelines.

4.1.1.2.3 Receive and Process Personal Checks

Personal checks are sent in by providers or payees to reduce MMIS receivables owed to DMAS, such as outstanding negative balances, individual claim adjustments, or other types of overpayments not recovered by the MMIS check void process. The Contractor receives these personal checks from providers and payees and ensures the items are recorded, controlled, and sent to DMAS for deposit, research, and posting.

4.1.1.2.4 Issuance Manual Checks

The Contractor issues manual checks at the direction of DMAS for advanced or additional payments and those reissued as a result of checks lost or destroyed in

delivery to providers and payees. The Contractor issues the manual checks from the bank's paper check inventory according to DMAS fiscal guidelines. The Contractor receives all requests for manual checks in writing from the DMAS Fiscal Division. Manual checks issued must be properly recorded in the MMIS (Payment/Negative Balance) and on a check log.

4.1.1.2.5 Perform Banking Interfaces

The Contractor receives the monthly MMIS bank account reconciliation file for processing. The Contractor ensures that monthly reports and processing are accurate, and that all bank accounts are posted correctly to show both cashed and uncashed checks. The Contractor prepares and sends comprehensive monthly bank account reconciliation. The Contractor sends an MMIS bank account check void file to the bank for weekly processing.

Annually, based on the state's fiscal year end, the Contractor closes the current MMIS bank account and verifies that all checks issued are cashed or voided by January 31 following the close of the preceding state fiscal year. Additionally, a new MMIS bank account is opened and effective for the first payment cycle in the next state fiscal year. Both the closing and opening processes are performed at DMAS' direction.

4.1.1.3 Recipient ID Cards

This section provides information about recipient ID card production. Identification cards are produced daily from a file produced by the MMIS and sent to recipients enrolled in one of DMAS' state-sponsored programs who meet established criteria. These plastic cards offer “swipe-card” technology with encoded data, allowing providers to verify enrollee eligibility electronically at the time of service. The Contractor is responsible for the daily production and issuance of these cards.

4.1.1.3.1 ID Card Production

The Contractor is responsible for meeting DMAS' specifications with regard to the following categories:

- Card stock;
- Carrier;
- Envelopes;
- Personalization process;
- Seal and meter envelopes; and
- Presort and bar coding of envelopes.

4.1.1.3.2 Card Stock

The card stock will meet the following specifications:

- Size = CR80 (2 1/8 x 3 3/8);
- Thickness = 030";
- Background = white; and
- Commonwealth of Virginia seal and name = Reflex blue 40 percent.

4.1.1.3.3 Carrier

The Contractor will produce the carrier based on artwork provided by DMAS. The stock will be a laser compatible 8 ½ x 11 white stock, with an image of the Virginia State Seal using black ink front and back.

4.1.1.3.4 Envelopes

Envelopes will be equipment compatible, standard #10, white wove, window envelope using black ink with verbiage provided by DMAS.

4.1.1.3.5 Personalization Process

Enrollee data will be imaged with up to three lines of data and will include tipping and encoding the magnetic strip. The magnetic strip will contain three tracks of data. Track 1 will be alphanumeric, Track 2 will be numeric and Track 3 is not encoded. The data for the encoding process will be transmitted to the Contractor within a daily electronic file according to the layout approved by DMAS. The data elements to be imaged on the face of each card are:

- Enrollee ID number;
- Enrollee name;
- Enrollee date of birth;
- Sex (M or F); and
- Card number.

With reasonable notice, additional data elements may be added if the need arises.

4.1.1.3.6 Seal and Meter Envelopes

Appropriate meter rates are applied to all qualifying pieces of mail based on the USPS regulations and current rates.

4.1.1.3.7 Presort and Barcoding of Envelopes

The Contractor will presort all completed envelopes and print a valid postal net barcode on the envelopes using the CASS (Coding Accuracy Support System) or other industry standard database. This will ensure timely and accurate delivery of the ID cards by the USPS.

4.1.1.4 Pharmacy Services

This section provides information about business support requirements related to Pharmacy Services. The operational components that support Pharmacy Services include pharmacy claims processing, prospective drug utilization review (PRODUR), retrospective drug utilization review (RetroDUR), provider profiling, and ad hoc reporting. Paper pharmacy claims, which are received on proprietary forms, are included in the Paper Input Preparation section (4.1.1.1.1).

The Contractor is responsible for hosting a Pharmacy help desk where toll-free incoming calls are addressed. The Contractor is responsible for handling technical calls associated with point-of-sale (POS) transmission errors 24 x 7. The staff researches connectivity issues by using in-house tools that can trace the transaction to determine the failure point. After normal business hours, the Pharmacy help desk must answer calls regarding claims processing issues such as drug coverage, quantity limits, and other system edits. The DMAS Helpline answers pharmacy claims questions during normal business hours.

The Contractor must provide a dedicated pharmacist to support the Pharmacy program in conjunction with DMAS staff. The Contractor fulfills all prospective and retrospective DUR reporting requirements as directed by DMAS and implements new initiatives as the clinical/market information becomes available. New DUR alerts will be introduced to the program, which may result in claim denials requiring a pharmacy–related prior authorization review by another contractor. The Contractor is expected to advise DMAS of current market practices and make recommendations for program enhancements and additional cost savings initiatives. The Contractor should also be knowledgeable of all other DMAS pharmacy programs and work collaboratively, when appropriate, with DMAS staff and other vendors to advance overall pharmacy services.

The Contractor is responsible for Provider Profiling. The Contractor will work with the Commonwealth's pharmacists and DUR Board to make recommendations and produce provider profiles to include letters and telephone interventions, where appropriate. The guidelines for the Provider Profiling will change based on new criteria from the Commonwealth and the DUR Board. The Contractor will analyze the results and prepare reports and recommendations based on the outcomes.

The Contractor is responsible for preparing ad hoc reports as deemed necessary to the pharmacy program as directed by the Commonwealth's pharmacy staff. Reports should be programmed and accessible so that DMAS staff can easily run the reports that are of a repetitive nature. Advanced custom reporting requests should be fulfilled by the Contractor and are usually related to a current issue, such as a DUR Board request or a proposed initiative. Analysis of the reports and relevant recommendations are also required.

4.1.1.5 Electronic Data Interchange Support

This section provides information about EDI Support functions.

EDI is the computer-to-computer exchange of business data in standard and nonstandard electronic formats. The Contractor must provide staff to support the EDI capabilities required in the MMIS both currently and in the future.

The EDI Support functions include all of the requirements related to supporting the EDI processes performed using the EDI platform, including technical, operational, and customer support activities. In addition to supporting day-to-day production and testing, EDI Support addresses evolving EDI standards and promotes the expanded use of EDI with MMIS stakeholders.

The MMIS currently uses the following HIPAA-compliant standard X12 and NCPDP transactions:

- 270 for eligibility inquiries;
- 271 for eligibility responses;
- 276 for claim status inquiries;
- 277 for claim status responses;
- 820 for MCO capitation payments;
- 834 for MCO and dental program enrollment information;
- 835 for electronic remittance advices;
- 837I, 837P, and 837D for fee-for-service claims and encounters;
- NCPDP Batch 1.1 Telecommunications Version 5.1 for pharmacy claims and encounters; and
- 278 transaction for prior authorization requests and responses (this transaction is supported currently by DMAS' Prior Authorization Contractor).

The MMIS also uses the following standard transactions, though they are not mandated by HIPAA:

- 271U for eligibility information sent to the transportation broker; and
- 277U for pended claims sent together with the electronic remittance advice (835).

The compliance checking and translation of X12 standard transactions is accomplished using a suite of software tools from Sybase Inc.

The MMIS currently receives and transmits nonstandard files for MCOs via the EDI platform, such as reports on encounter processing and information about providers.

A trading partner must go through an enrollment and authorization process to conduct EDI. A provider may be authorized to conduct EDI directly with the MMIS or may name a third party that is authorized to conduct EDI on its behalf. Once the

authorization process is complete, the EDI system recognizes all trading partners as authorized service centers.

DMAS' trading partners currently include providers, a transportation broker, a dental program administrator, service centers, clearinghouses, MCOs and the Medicare Coordination of Benefits Contractor (COBC).

The EDI Support function is responsible for the creation, transmission, and validity of all EDI transactions. EDI Support staff must interact with trading partners as well as the FAS Systems Group to ensure the transactions are processed timely and accurately.

DMAS will adopt additional standard transactions in the future, such as electronic claims attachments, as well as enforce future HIPAA mandates. The Contractor must accommodate the timely use of emerging EDI standards as they become available. Furthermore, the selected Contractor must remain current with regard to these emerging standards throughout the life of this contract.

4.1.1.6 Other Business Operations Services

The Contractor must provide certain services that are not the responsibility of any particular business unit discussed above.

These services include ensuring that all outputs produced by the MMIS that are not posted to the Document Management system, such as letters, are delivered to the appropriate place. It also includes the overall review and balancing of system outputs to verify outputs are produced correctly and according to schedule and to identify aberrations from normal results.

4.1.2 APPLICATIONS SUPPORT

4.1.2.1 Overview

This section provides an overview of each application that the Contractor will support; detailed information is given in the Detail Systems Design (DSD) and other documentation available in the Reference Library. The applications reside on both the MMIS Core Technology and the DMAS Technology environments, as depicted by the chart below:

Table 4.1.2.1

Environment	MMIS Subsystem (Y/N)	Application
MMIS Core Technology	Y	Reference
	Y	Provider
	Y	Recipient
	Y	Claims Processing
	Y	Prior Authorization
	Y	Drug
	Y	Assessment
	Y	Financial (includes Health Insurance Premium Payments)
	Y	Third Party Liability
	Y	Management and Administrative Reporting
	Y	Surveillance and Utilization Review
	Y	J-SURS™
	Y	Early and Periodic Screening, Diagnosis, and Treatment
	Y	Automated Mailing
	N	Automated Response System
	N	MediCall
	N	SAS
DMAS Technology	N	Oracle Financials
	N	Third Party Liability and Recovery System
	N	SAS
	N	Miscellaneous Databases

All of the above software applications will be implemented and tested as part of the Takeover Phase and must be supported throughout the Fiscal Agent Services Contract.

The applications designated as "subsystems" were developed primarily for a mainframe computer using Common Business-Oriented Language (COBOL) and Customer Information Control System (CICS). The current CICS screens are enhanced with a front-end software tool (ClientBuilder) that converts screens into a Graphical User Interface (GUI). The data files are organized and managed using a DB2 relational database, although some data sets use VSAM or sequential file organization.

The Virginia MMIS uses table-driven data and system parameters, which simplify system maintenance and enhancements and allow users to set and change data elements that affect system processes online. The system also provides all system and user documentation online. Users can access the documentation by selecting “Help” on the menu bar.

All system reports are written to an online report storage and retrieval system. This allows users to access all reports from their desktops and to view or print the information they need.

The Virginia MMIS is HIPAA-compliant and, therefore, supports all of the mandated EDI transactions, with the exception of the X12 278 Pre-Authorization transaction; this transaction is processed by a DMAS prior authorization contractor. Several of the MMIS subsystems process EDI transactions that are either online transactions that

are translated by the subsystem, or batch transactions that are translated and verified for HIPAA compliance using a Sybase software suite, which resides on the Fiscal Agent Technology environment.

The MMIS Core environment supports provider-community access to MMIS information using two additional applications:

- The Automated Response System (ARS), which processes Internet inquiries for real-time information available from the MMIS provider, eligibility, claims, and financial data stores; and
- A touch-tone and voice telephone application, MediCall, that enables access to recipient eligibility and claim information.

The Fiscal Agent Services Contract also requires support for the applications that reside on the DMAS Technology environment. This includes Oracle Government Financials, Third Party Liability and Recovery System (TPLRS), SAS, and miscellaneous databases.

4.1.2.2 Reference Subsystem

This section provides information about the Reference Subsystem.

4.1.2.2.1 Overview

The Reference Subsystem maintains data supporting the processing requirements of other MMIS subsystems. While the Claims Processing and Drug Subsystems are the primary users of Reference Subsystem data, other subsystems, including the Management and Administrative Reporting Subsystem (MARS), Surveillance and Utilization Review Subsystem (SURS), and Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Subsystem also access Reference Subsystem data, especially for the expansion of codes into narrative descriptions.

The Reference Subsystem consists of four major modules: Procedures, NDCs, Other Administrative Codes, and System Support. The functions in these modules include the following:

Procedures

The Procedures function maintains data describing services covered by the various health benefit plans administered by DMAS, the pricing of those services for payment requests, and diagnoses used on payment requests. Batch processes using data from external sources and users using online processes update information about medical procedures, dental procedures, drugs, surgical procedures, and revenue code data including descriptive data, pricing data, and restrictions. The Procedures function, which provides a variety of reports and inquiry screens, consists of the following processes:

- Update Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology (CPT) data;
- Update Resource Based Relative Value Scale (RBRVS) data;
- Support online updating and inquiry of rate data;
- Update International Classification of Diseases 9th Revision Clinical Modification (ICD-9) Surgical Procedure Codes;
- Update online procedure/revenue codes;
- Update Current Dental Terminology (CDT) data
- Produce audit trails; and
- Produce reports for the contents of each table.

NDCs

The NDCs function provides online and batch updating to National Drug Codes (NDCs). The Drug function provides a variety of inquiry/update screens and consists of the following processes:

- Maintain current version of First DataBank National Drug Data File®;
- Maintain Maximum Allowable Cost (MAC) and Specialty (SMAC) drug data;
- Maintain online drug codes data; and
- Inquire by NDC, Generic Code Number (GCN), Trade Name/Soundex, Generic Name/Soundex, and Partial NDC.

Other Administrative Codes

The Other Administrative Codes function provides online and batch updating to maintain locality tables and rate tables that define the various administrative and pricing regions and rates used in the MMIS. Additionally, batch processes using data from external sources and users using online processes update information about Diagnoses Codes including descriptive data, length of stay, and Diagnosis Related Groups (DRGs). Other Administrative Codes consists of the following processes:

- Support online updating and inquiry of administrative, and locality rate data;
- Support online updating and inquiry of ICD-9-CM Diagnosis Codes;
- Produce audit trail reports of all changes applied to administrative tables;
- Produce reports of the contents of the locality tables;
- Update ICD-9-CM Diagnosis/Length of Stay (LOS) data; and
- Update DRG data.

System Support

System Support provides general-purpose support and values for the MMIS applications and subsystems. The System Support function reduces the amount of hard-coded rules and values incorporated into the MMIS software to reduce the software maintenance burden. The system support function consists of the following processes:

- Maintain system parameters consisting of miscellaneous single-value parameters used throughout the MMIS;
- Maintain value-set tables consisting of sets of values associated with various data elements used throughout the MMIS;
- Maintain edit-criteria tables associated with rules used for complex MMIS edits and audits;
- Maintain error-text tables associated with the MMIS edits and audits. In addition, the claims processing error messages in the table are coded with disposition and suspense locations as well as edit criteria;
- Maintain the Adjustment Reason Response Cross-reference (X-Ref) table associated with adjustment reasons, claims response values, and other related data; and
- Maintain the HIPAA X12 Standard Code Sets table which stores data specific to MMIS edits and audits.

4.1.2.2.2 Related Key Contracts

- First DataBank.

4.1.2.3 Provider Subsystem

This section provides information about the Provider Subsystem.

4.1.2.3.1 Overview

The Provider Subsystem supports a variety of functions that are performed by DMAS staff, the fiscal agent, and other approved DMAS Contractors associated with Provider Enrollment Services functions and the MMIS. The Provider Subsystem processes enrollment requests from a variety of providers recognized by the State Plan for Medical Assistance and supports internal and external interfaces required by the MMIS. These functions are supported by the four major modules that make up the Provider Subsystem: Certification Module, Edit and Update Module, Rate Change Module, and Reporting Module.

The primary function of the Provider Subsystem is to maintain information about enrolled DMAS providers that are or were eligible to submit payment requests and encounters for services rendered to recipients. This information is used by other subsystems to perform such functions as claims processing, administrative reporting, surveillance/ utilization review functions, managed care rate setting, and quality studies.

The subsystem supports a number of different enrollment models. All healthcare providers are enrolled with their assigned National Provider Identifier (NPI). This includes individual practitioners, group practices, and organizations. Non-healthcare providers are assigned an Atypical Provider Identifier (API). The Provider Subsystem accepts the NPI from all qualified applicants. Cross-indexing is performed so that the NPI is linked to other identifiers to support claims processing and other subsystem functions.

The Provider Subsystem also supports enrollment of administrative providers, which primarily are providers submitting claims to DMAS contractors such as MCOs and Administrative Services Only (ASO), which includes the dental contractor. These providers are enrolled to allow DMAS to collect encounters (claims), identifying the servicing provider, and the provider type and specialty. Having the provider information on encounters is critical to establishing capitation rates. DMAS assigns each administrative provider an administrative provider number that is used only between DMAS and the contractors.

The Provider Subsystem that is being taken over has the following major functions:

- Maintain a variety of rates to support the complex reimbursement rate methodologies required to meet DMAS provider payment guidelines;
- Maintain HIPAA-compliant electronic data interchange (EDI) transactions for which the provider is certified;
- Support financial reporting by identifying programs in which a provider participates, current and prior dates of enrollment, current and historical program-specific rates for providers, payments to providers for services, and payments providers owe to DMAS;
- Maintain providers' net-balance relationship with the program;
- Provide accurate and complete audit trails of all processing for at least three years from the date of processing;
- Maintain provider application tracking data from date of receipt to final disposition;
- Provide online inquiry and update access to provider information;
- Allow provider data searches using various cross-reference capabilities to locate information about a provider;
- Maintain group affiliations;
- Maintain alternate mailing addresses;
- Maintain Provider database using a variety of external interfaces including, but not limited to, the Virginia Department of Health Professions Public Information License Download web page;
- Maintain provider restrictions, including sanctions and exceptions from the Office of Inspector General's List of Excluded Individuals and Entities (LEIE);
- Maintain Medicaid MCOs provider networks;
- Maintain MCO-only providers in a nonparticipating program for encounter purposes;
- Maintain ASO contracting provider networks for encounter purposes;
- Support maintenance of Clinical Laboratory Improvement Amendments (CLIA) and Online Survey, Certification and Reporting (OSCAR) data from CMS; and
- Maintain provider 1099 information associated with Internal Revenue Service (IRS) reporting.

4.1.2.3.2 Related Key Contracts

There are no key contracts for the Provider Subsystem.

4.1.2.4 Recipient Subsystem

This section provides information about the Recipient Subsystem.

4.1.2.4.1 Overview

The Recipient Subsystem supports a variety of functions that are performed by DMAS staff, Department of Social Services (DSS) staff, the Managed Care Enrollment broker, and the FAMIS contractor. The Recipient Subsystem maintains and reports enrollee eligibility data for DMAS-established benefit packages to support the processing, payment, and reporting of Medicaid claims, encounter claims, enrollee demographic and benefit-package data. Workers in local Department of Social Services (LDSS) offices enter most eligibility transactions in real time; the connection is through an interface at VITA. DMAS staff, the Managed Care Enrollment broker, and the FAMIS Contractor enter eligibility data directly into the MMIS for enrollments for Managed Care, Temporary Detention Orders, Emergency Custody Orders, Premium Assistance and Title XXI SCHIP program (FAMIS).

The Recipient Subsystem incorporates federal, state, and other external interfaces to facilitate two-way electronic transfer of enrollee eligibility information between DMAS and other participating entities to ensure the coordination of DMAS enrollee benefits. This process applies edits, produces error reports, sustains controls, and automates reconciliation capabilities for updating DMAS enrollee eligibility and benefit information. The MMIS supports data sharing with, among others, CMS, the Social Security Administration (SSA), and the Department of Defense (DOD). The interfaces supported from these agencies include but are not limited to the following:

- Beneficiary and Earnings Data Exchange (BENDEX);
- Medicare Part-A Group Payer and Part-B State Buy-In;
- Health Insurance Beneficiary State Tape (BEST);
- State Verification and Exchange System (SVES);
- Coordination of Benefits Agreement (COBA);
- Supplemental Security Income (SSI) Termination File; and
- Medicare Part-D.

The Recipient Subsystem consists of six major modules: Enrollment Edit and Update; Enrollment Identification, Notification, and Recertification; Benefit Definition Database Maintenance; Managed Care and Client Medical Management (CMM) Assignments; Buy-In; and Eligibility Reporting. The functions of these modules include the following:

Enrollment Edit and Update
Enrollment edit and update supports the creation and ongoing maintenance of enrollment records for individuals who receive services through DMAS programs. Enrollments are entered using Aid Categories, which are the program classifications under which an enrollee has been found eligible for Medicaid or other DMAS administered programs. Workers at local DSS offices throughout the Commonwealth determine eligibility for some programs and enter enrollment and demographic information into the MMIS via a real-time online application supported and maintained by DSS called ADAPT. ADAPT interfaces with the MMIS to add and update data in real time. DSS workers also enter enrollments for programs not in ADAPT directly into the MMIS. The FAMIS Computer Processing Unit contractor enters enrollment data for FAMIS enrollees. The Managed Care Enrollment broker enters enrollment data for managed care enrollees. DMAS staff members enroll for DMAS-only programs (TDO, etc). DMAS' Prior Authorization (PA) Contractor enrolls for waiver programs. The fiscal agent enters nursing facility assessment enrollments.

Enrollment Identification, Notification, and Recertification
Enrollment identification, notification, and recertification provides enrollees with plastic identification cards required to receive medical services from DMAS-certified providers; provides timely notification of current eligibility and benefits status; and manages monthly recertification of benefits including automatic termination of benefits for enrollees exceeding age and special program time limitations. These automatic closures affect enrollment, managed-care assignments, client-medical-management and waiver-services enrollments, and prior authorization of services. Any change in the status of an enrollee's eligibility or benefits requires adequate notification to the enrollee. This notification is accomplished through system-generated letters to the enrollee as well as reports to the DSS caseworker.

Benefit Definition Database Maintenance
DMAS and fiscal agent staff create and maintain DMAS-defined benefit plans and aid category rules. The Recipient Subsystem uses the benefit plans and aid category rules for enrollment and reporting purposes. These components define the characteristics, edits (rules), and benefit limits (restrictions) associated with benefit plans/aid categories and are stored and maintained in the rules tables. The package of benefits an enrollee receives may consist of one or more benefit plans.

Managed Care and CMM Assignments
Using rules and edits in recipient, reference, and provider tables, the MMIS automatically pre-assigns and assigns enrollees to providers. Functions include the following activities:

- Identify new or current enrollees who are eligible for automatic provider pre-assignment or assignment due to changes in circumstances or other factors relating to eligibility for managed care program benefits;

- Automatically pre-assign managed care enrollees to PCPs or MCOs;
- Provide access to DMAS and its contractors (including the managed care enrollment broker) for the final assignment of enrollees to managed care providers after enrollees have exercised individual choice, where available;
- For a previously canceled but now re-eligible recipient, provide for re-assignment to the prior managed care provider, subject to DMAS-defined criteria;
- Provide for the wholesale transfer of enrollees from one managed care entity or provider to another such as when a PCP office or a nursing facility closes;
- Generate HIPAA-compliant Benefit Enrollment and Maintenance (834) transaction;
- Generate reports to DMAS on assignment activities; and
- Generate enrollment reports to managed care providers.

Additionally, DMAS staff uses online screens to assign recipients who have used excessive services to CMM providers who oversee their care.

Buy-In
Buy-In allows eligible enrollees to be "bought in" for payment of their Medicare premium(s) by the state. Through the payment of monthly premiums, eligible enrollees will have coverage under the federal Medicare program for hospital and/or professional services.

Eligibility Reporting
Eligibility reporting provides for generation and distribution of detailed and summary information related to enrollment and eligibility data for DMAS enrollees.

Eligibility reporting also includes the generation of EDI transactions for eligibility information for DMAS enrollees. The transactions supported by the subsystem are:
- 271 for eligibility responses
- 271U for eligibility information sent to the transportation broker

4.1.2.4.2 Related Key Contracts
There are no key contracts for the Recipient Subsystem.

4.1.2.5 Claims Processing Subsystem

This section provides information about the Claims Processing Subsystem.

4.1.2.5.1 Overview

The Claims Processing Subsystem supports a variety of functions that are performed by DMAS and fiscal agent staff. These functions include processing payment requests from a variety of sources and providing adjudicated claims and encounters for the Financial Subsystem as well as other subsystems and external interfaces.

The primary function of the Claims Processing Subsystem is to adjudicate payment requests. Payment requests include fee-for-service claims and encounters for capitated services provided by MCOs and vendors, system-generated claims for MCO capitation and other payments, and any adjustments or voids to claims and encounters. The subsystem adjudicates payment requests for all of the health benefit programs DMAS administers. The subsystem is designed to incorporate additional benefit programs in the future without significant system changes.

The subsystem supports a number of different reimbursement models. Included are Fee-for-service (FFS), Primary Care Provider (PCP), MCO and ASO models. In addition, the subsystem supports specialized programs such as CMM and Assessments.

Using information from the Recipient Subsystem, the Claims Processing Subsystem generates claims for MCO capitation payments, PCP management fees, CMM administration fees, and nursing facility unit dose fees.

The subsystem uses approved PA requests in editing and pricing claims and adjustments when a service requires prior approval.

The Claims Processing Subsystem has the following major functions:

- Accept all claims-related transactions into the subsystem, including encounter data submitted by MCOs and vendors;
- Accept HIPAA-compliant X12 837 Healthcare Claims transactions (institutional, professional, and dental) for claims and encounters, including any claims submitted through the DMAS Medicaid web portal;
- Verify that all providers submitting payment requests are properly enrolled at the time of service;
- Verify that all recipients for whom payment requests are submitted are eligible for the type of service at the time the service was rendered;
- Verify that claims conform to prior authorization requirements and, when applicable, that claims match to the prior authorization;

- Perform edits and audits for payment requests as defined by policies and procedures, using data from Reference, Provider, and Recipient Subsystem;
- Calculate a payment amount using the pricing methodology defined by DMAS;
- Integrate ClaimCheck® from McKesson Health Solutions to perform code auditing as part of claim adjudication;
- Assign a disposition (status) to payment requests as a result of adjudication;
- Provide online access to suspended (pended) claims, adjustments, and voids that require manual resolution;
- Automatically assign suspended (pended) payment requests to the appropriate location for resolution and present claims by age within the location;
- Automatically recycle selected pended claims on a scheduled interval;
- Process adjustments and voids (reversals) to payment requests;
- Collect and store the MCO payment amount and payment date collected from encounters and limit access to selected DMAS users;
- Maintain three years of payment request history for claims processing and user inquiry (some services are kept longer);
- Provide online access to payment request information via Claims History Inquiry and Retrieval Process (CHIRP) to support inquiries from providers and other research concerning processed payment requests;
- Provide online access to claim images, including a facsimile for electronic claims, and claim attachments;
- Provide an online function to request mass adjustments and voids, reprocessing of denied claims, and recycling of pended claims based on user-specified selection criteria;
- Accept batch and online HIPAA-compliant X12 276 Claim Status Request transactions and return HIPAA-compliant X12 277 Claim Status Response transactions; and
- Create extract files to support the needs of other subsystems and business partners.

4.1.2.5.2 Related Key Contracts

McKesson Health Solutions for ClaimCheck®.

4.1.2.5.3 Supplemental Support

The Claims Processing Subsystem uses ClaimCheck®, a code-auditing software product from McKesson Health Solutions. The Contractor must obtain a license for ClaimCheck® and implement it as it has been customized to reflect DMAS policy.

ClaimCheck® automatically and comprehensively audits codes before claims are paid. The system identifies the appropriate relationship between medical, surgical, radiology, laboratory, pathology, and anesthesiology procedures. ClaimCheck®'s clinical logic is based on clinical practice and reimbursement standards, along with the knowledge and judgment of medical experts. The system incorporates clinical coding sources including CPT-4, HCPCS and ICD-9-

CM, American Medical Association (AMA), and CMS guidelines as well as industry standards, medical policy and literature, and academic affiliations.

ClaimCheck® (currently Version 8.5, but subject to upgrades) is integrated into the claims adjudication process and uses 90 days of claims history before and after the date of service of the current claim. In addition to claims history, other MMIS data also interfaces ClaimCheck®, such as procedure codes and associated value sets, as part of the adjudication process. Any claim that is applicable to ClaimCheck® review—namely physician and laboratory services—is passed to ClaimCheck® along with any relevant claims history. ClaimCheck® determines if any of the following conditions exists:

- Procedure unbundling;
- Separate billing for incidental services;
- Simultaneous billing of mutually exclusive procedures; and
- Incorrect use of CPT/HCPCS coding rules.

If ClaimCheck® identifies a problem, based on the situation determined, the claim(s) involved will be denied, adjusted, or voided and replaced with a new claim automatically created by the Claims Subsystem. These claims are reflected in the same payment cycle as the original claim that initiated the ClaimCheck® actions. Specific error conditions and conflicting claim information are identified and included on the Remittance Advice so the provider can understand exactly what happened to the claims involved.

DMAS typically requires that the Knowledgebase issued at the beginning of the year be implemented as soon as possible after it is made available by McKesson.

4.1.2.6 Prior Authorization (PA) Subsystem

This section provides information about the Prior Authorization Subsystem.

4.1.2.6.1 Overview

The Prior Authorization subsystem captures, maintains, and processes online and electronic prior authorization requests. The MMIS has online screens for inquiry, add, cancel, and update features. Prior authorization requests are also transmitted by a DMAS contractor. Letters are automatically sent to the provider and the recipient when the condition or status of the prior authorization requires notification. Reports are generated to manage this process.

The Prior Authorization Subsystem has the following major functions:

- Provide online screens to DMAS and other designated agencies and companies as deemed necessary by DMAS for real-time system updates for PA adds, changes, cancellations, and inquiries;
- Display PA and line-level detail and letter text information;

- Maintain and update PA Service Types and Action Reason Codes with online features for DMAS users;
- Accept PA Request files and return PA Response files to the PA contractor through the MMIS File Transfer Protocol (FTP) process;
- Generate letters to providers and recipients as a result of PA requests;
- Verify the provider's enrollment for designated services at the time the prior authorization is processed;
- Verify recipient eligibility for whom prior authorization services are requested;
- Verify that prior authorization requirements and claims requirements are coordinated;
- Perform edits and audits for prior authorization requests as defined by policies and procedures;
- Perform edits and audits using data stored in Claims, Reference, Provider, and Recipient Subsystem tables that can be easily modified online by users; and
- Assign a disposition (status) to prior authorization requests through processing the requests against rules.

4.1.2.6.2 Related Key Contracts

There are no key contracts for the PA Subsystem.

4.1.2.7 Drug Subsystem

The Drug Subsystem supports the Virginia Medicaid Pharmacy Program. This section provides information about the components within the Drug Subsystem.

4.1.2.7.1 Overview

The primary purpose of the Drug Subsystem is to adjudicate payment-related requests. Some Drug Subsystem processes are supported by a Pharmacy Clinical Call Center, which is not a part of the current MMIS contract. A Pharmacy Help Desk supports calls pertaining to claims transmission errors. Drug Rebate Services (DRS) is a separate component of the pharmacy program and is detailed in Section 6 of this RFP.

The main functions of the Drug Subsystem include drug claim and encounter processing, PRODUR, RetroDUR, provider profiling, and ad hoc reporting requirements. These functions are accomplished using a combination of the MMIS and COTS packages. Drug claims processing and PRODUR are part of the MMIS. RetroDUR, provider profiling, and ad hoc reporting use a proprietary COTS package, FirstIQ®.

Drug Claims Processing

Payment requests include paper, batch, and POS processing for fee-for-service claims and encounter data for capitated services provided by MCOs. The subsystem adjudicates payment requests for all of the pharmacy benefits that DMAS administers and captures recipient medical data to support the Drug

Utilization Review (DUR) components of the subsystem. Prior authorization and coordination of benefits components are incorporated within the Drug Subsystem. The subsystem is designed to manage flexible and dynamic pharmacy benefits, prior authorization requirements, and payment methodologies without system changes.

The current Drug Subsystem has the following major capabilities with regard to claims processing:

- Accept all claims-related transactions, including encounter data submitted by MCOs;
- Provide POS processing 24-hours-a-day, 7-days-a-week except for scheduled advanced approved downtime;
- Support NCPDP 5.1, HIPAA-compliant electronic claims submission and NCPDP 1.1, batch claims submission;
- Process paper drug claims submitted on DMAS proprietary claim forms;
- Verify that all providers submitting payment requests are properly enrolled at the time of service;
- Verify that all recipients for whom payment requests are submitted were eligible for the type of service at the time the service was rendered;
- Verify that claims conform to PA requirements and, when applicable, claims match to the prior authorization;
- Perform edits and audits for payment requests as defined by policies and procedures;
- Perform edits and audits using data stored in Reference, Provider, and Recipient Subsystem tables that can be easily modified online by users;
- Calculate a payment amount using the pricing methodology defined by DMAS;
- Assign a disposition (status) to payment requests as a result of adjudication;
- Provide online access to suspended claims for manual resolution;
- Process prior authorization requests;
- Provide online access to payment request information via online screens to support inquiries from providers and other research concerning processed payment requests;
- Establish and maintain interfaces with current vendors; and
- Create extract files to support the needs of other subsystems, COTS packages and business partner needs.

Prospective Drug Utilization Review

The PRODUR component is part of the MMIS and does not use the First DataBank PRODUR module. The MMIS PRODUR is designed to detect, evaluate, and provide a means for the pharmacist to receive an alert and communicate an outcome before dispensing the drug therapy. Criteria are set so that only claims with clearly defined potential problems are flagged. Pharmacists use the NCPDP 5.1 or later, codes to communicate outcomes. Depending on the circumstance, the pharmacist or the physician may be required to contact a

Pharmacy Clinical Call Center to request a prior authorization or clarify the potential dispensing issue. PRODUR integrates information from the therapeutic criteria, the pharmacy and medical claims history, the recipient, the provider, the diagnosis, and procedures. The system produces comprehensive reports that track PRODUR history.

Retrospective Drug Utilization Review

The RetroDUR function reviews claims data to identify recipient cases where exceptions from the accepted criteria occur in order to alert DMAS and the provider of potential problems relating to medically unnecessary care and/or adverse medical consequences. The MMIS supports this Drug Subsystem requirement for a RetroDUR system with a client server based system using a proprietary COTS package. Through the reporting capability, claims data are reviewed to identify various potential prescribing problems. This function uses a catalog of criteria customized for Virginia Medicaid, and approved by the DMAS-appointed DUR Board. The Contractor produces reports and letters for RetroDUR.

Provider Profiling

The provider profiling function identifies possible problems in a provider's cumulative prescribing and dispensing patterns and compares the results to those of other providers. This allows identification of potential cost saving initiatives and may improve drug therapy outcomes. The current Contractor supports the Drug Subsystem requirement for provider profiling with a client server based system using a proprietary COTS package. Through the reporting capability, claims data are reviewed to verify the appropriateness of prescribed drugs and to identify types of therapeutic problems. This function uses a catalog of criteria customized for Virginia Medicaid and approved by the DMAS-appointed DUR Board focusing on certain drug classes and provider claims. Results from provider profiling may be brought before the DUR Board to assist in setting new criteria to review. The Contractor produces a letter, exception detail report, response sheet, and a provider report card and other supporting documentation based on criteria and parameters set by DMAS.

Ad Hoc Reporting

The COTS package used for this function is a criteria driven reporting application. Both the current Fiscal Agent and DMAS use this system for pharmacy ad hoc reporting. The application is accessed remotely by DMAS and supports immediate queries and results that are reported in a presentation ready format. These reports are also used to assist DMAS in evaluating its pharmacy benefit program.

Preferred Drug List

The Preferred Drug List (PDL) and Prior Authorization contract supports the Virginia Medicaid fee-for-service and FAMIS Pharmacy Programs. The PDL Program is directed by an independent DMAS-appointed Pharmacy and

Therapeutics (P&T) Committee. This committee determines if a drug class is PDL eligible and determines the status of the drugs within the class as preferred or non-preferred. The committee may also elect to apply clinical edits to any drug class.

The current PDL Contractor provides clinical management and administrative services for the program including support of the P&T Committee, supplemental rebate administration, program development, provider education, Pharmacy clinical call center services, prior authorization, and ongoing project management.

The current Contractor uses a proprietary call tracking system with frequent data exchanges between the MMIS and the proprietary application. The MMIS stores data retrieved through a query. The following data are loaded to the Contractor's server:

- Weekly paid claims file;
- Periodic recipient extract files to synchronize data;
- Recipient data queried twice a day;
- Provider data queried once a week;
- POS claims data queried approximately every 15 seconds; and
- Prior authorization records sent to the MMIS approximately every 15 seconds.

Maximum Allowable Cost
The MAC Contractor sends an interface file to the MMIS, which updates the drug reference file. The file is used in pricing a drug claim and is published in a report that is available on the DMAS website. Several variance and cost savings reports are produced along with an additional file that DMAS uses for reporting purposes. Pricing disputes and other provider inquiries are addressed by the MAC Contractor.

4.1.2.7.2 Related Key Contracts
There are no key contracts for the Drug Subsystem.

4.1.2.8 Assessment Subsystem

This section provides information about the Assessment Subsystem.

4.1.2.8.1 Overview

The primary purpose of the Assessment Subsystem is to collect, edit, process, maintain, and create reports for required assessment data submitted by Medicaid providers for Medicaid and potential Medicaid enrollees to determine eligibility for LTC services. In addition to determining eligibility, assessment data are used to establish and maintain enrollee level of care, authorize provider payments, and produce required reports to support Virginia Medicaid Program planning and research. The Assessment Subsystem supports online editing, inquiry display, audit trail reporting, selective browse function, auto generation of turnaround documents (TADs), and notification letters to providers.

Assessments using the UAI are currently submitted by providers on paper forms and electronically. The paper forms are imaged and keyed online by the Fiscal Agent. The electronic submission process allows providers to use tools provided by their vendors and/or DSS to output the assessment data to a DMAS-provided Extensible Markup Language (XML) schema. The inbound XML file is transferred using a secured FTP service to a vendor-specific folder/directory on the server. The MMIS picks up the XML files for processing and provides an XML response file containing errors or noting successful processing of the inbound XML file. The XML response file is created the next day after the nightly batch process. The XML message flow is controlled using a Service Oriented Architecture (SOA) Enterprise Services Bus (ESB).

4.1.2.8.2 Related Key Contracts

There are no key contracts for the Assessment Subsystem.

4.1.2.9 Financial Subsystem

This section provides information about the Financial Subsystem.

4.1.2.9.1 Overview

The primary purposes of the Financial Subsystem are to disburse program funds to providers and other payees, to monitor and control the expenditures of those program funds, to ensure that expenditures are accurately reported to DMAS in a timely manner, and to store financial transaction data for retrieval and update by DMAS staff. The disbursement of funds to providers and other payees is accomplished through a combination of automatic and manual functions. The Financial Subsystem directly interfaces with two other subsystems, the Claims Subsystem and the Provider Subsystem.

The Financial Subsystem consists of four major module applications: Disbursement Generation, Remittance Advice Generation, Health Insurance Premium Payments, and Budget Control. These four applications are used to generate payments to providers or payees.

Disbursement Generation
This application produces disbursements (remittances) to providers or other designated payees (vendors) rendering direct or indirect services to DMAS recipients. The disbursement is a net sum of all payment activity reflected on the corresponding Remittance Advice (RA). The disbursements are available in hardcopy checks or electronic funds transfer (EFT) transactions, as selected by the payee. All disbursements are maintained and reconciled monthly through data exchange with the corresponding issuing banks. The monthly bank account reconciliation ensures an accurate and comprehensive reporting process and provides the capability to isolate outstanding payments in a timely manner. Annually the current fiscal agent generates and mails 1099s and produces reports for reconciliation and 1099 adjustments, the IRS 1099 forms based on tax year being reported and a 1099 file sent to the IRS.

Remittance Advice Generation
This application provides a detailed and comprehensive report (Remittance Advice) for each disbursement and is the major financial communication device between DMAS and providers and other payees. The RA is available in hardcopy (paper) and/or softcopy (electronic) media, and will be accompanied by the check payment or an EFT payment, if selected. All payment requests, either claims-based or financial-transaction-based, are shown on the RA by their status (approved, denied, or pended) and disposition (originals, adjustments, or voids). The electronic RA is the HIPAA-compliant X12 835. An unsolicited X12 U277 Healthcare Claim Response describes all claims in suspense status (pended claims). The outbound X12 820 Premium Payment transaction set is used to communicate MCO capitation payment information. The Financial Subsystem recognizes a claim or an adjustment for a capitation payment; and, rather than include it on an X12 835, it includes it on the monthly X12 820 transaction.

Health Insurance Premium Payment
Based upon estimated costs of service, this application reimburses DMAS recipients for premium costs that they have incurred for private healthcare coverage. This function additionally maintains all data relevant to the preparation of premium payments, and it interfaces with the disbursement process that generates the payments to HIPP payees on behalf of MMIS recipients on a monthly schedule.

Budget Control
This application provides extensive budget control features that allow DMAS to control the creation of Basic Account Codes (BACs), assign budget amounts to corresponding BACs, and ensure that all budget and related expenditure activity

are monitored and tracked. Budgets and expenditures are maintained for the Medicaid program, as well as other DMAS programs. All adjudicated payment requests and financial transactions are assigned an appropriate BAC in order to be processed and paid based on available funds for the corresponding BAC. Additionally, this function provides the input process for all financial transactions that result in additional payments to or recoveries from providers or other payees. These financial transactions are based on adjustment and financial reasons, and may include processing of payment exception conditions such as provider negative balances, provider lien recoveries, capitation payment holdbacks, delaying of disbursement based on DMAS criteria, and payments suspended due to unavailable funds. Information is passed to other functions and subsystems based on the various types of financial transactions.

4.1.2.9.2 Related Key Contracts

The MMIS Financial Institution for the Medicaid Concentration Account.

4.1.2.10 Third Party Liability Subsystem

This section provides information about the Third Party Liability (TPL) Subsystem.

4.1.2.10.1 Overview

The TPL Subsystem's main function is to collect and record information from many sources relating to DMAS recipients' other insurance information. It allows editing and updating the TPL Resource, Absent Parent, and TPL Carrier data. DSS, DMAS, and DMAS' current TPL Contractor collect TPL data for Virginia Medicaid recipients. The Claims Subsystem, Recipient Subsystem, Medicare Buy-In Unit, Drug, and HIPP Unit use the recipient's third-party-resource information.

4.1.2.10.2 Related Key Contracts

There are no key contracts for the TPL Subsystem.

4.1.2.11 Management and Administrative Reporting Subsystem

This section provides information about MARS.

4.1.2.11.1 Overview

MARS produces a variety of Medicaid program reports for review by federal and state agencies, including Virginia DMAS personnel. Key information is extracted at the detail level from the front-end MMIS subsystems (Claims, Financial, Provider, Recipient, and Reference), and is aggregated by MARS processing. These data are maintained on MARS files in order to present reporting for historical time periods as well as the current process month.

MARS reports include summary and detailed information as required to meet various management and administrative reporting requirements. MARS reports summarize financial status, provider participation analysis, recipient participation analysis, drug usage, and operational status and performance. MARS also produces Medicaid Statistical Information System (MSIS) files in accordance with specifications promulgated by CMS. The quarterly MSIS files provide data on eligibles, recipients, encounters, and payments for claims adjudicated during a federal fiscal year.

The MARS maintenance process provides flexibility by using data variables that affect processing, such as system parameters or database table values. Changes in data values are accommodated through online changes controlled and entered by DMAS.

MARS performs the following major functions in order to meet DMAS objectives:

- Capture, validate, process, summarize, and store data from other subsystems of the MMIS that are needed for MARS reporting, including information concerning claims, encounters, financial transactions, budget data, providers, and recipients;
- Provide summary and detailed information for MMIS program review, evaluation, and management;
- Provide information comparing budgeted amounts and actual expenditures to permit accurate financial planning and effective cost control;
- Provide information to analyze, develop, and improve medical assistance policy and regulations;
- Provide information necessary for evaluation of provider participation, service delivery, and claims error frequency and distribution;
- Provide cost settlement reporting needed by DMAS financial analysts to evaluate and establish reimbursement rates for nursing facilities, hospitals, rehabilitation facilities, Federally Qualified Health Centers (FQHCs), and Rural Health Clinics (RHCs);
- Provide data to support federal reporting and certification requirements, including the MSIS data files, CMS-372 waiver reports, and CMS-416 EPSDT report;
- Provide statistics including unduplicated counts of eligible and participating recipients for evaluation of service usage;
- Report recipient participation in order to analyze costs and service usage and develop more effective programs;
- Produce management and administrative reports on drug usage and expenditures;
- Provide a variety of customized and specialized reports that are specific to DMAS, including managed care summary reports, and Medicaid and FAMIS provider summary reports for inpatient services;

- Research, coordinate, and resolve MARS processing problems identified by DMAS, CMS, and the Contractor, and take appropriate corrective action that includes reproducing reports as a result of problems; and
- Provide information and support to assist DMAS with researching and explaining variances in the MSIS data that are raised by DMAS or CMS.

4.1.2.11.2 Related Key Contracts

There are no key contracts for MARS.

4.1.2.12 Surveillance and Utilization Review Subsystem

This section provides information about the Surveillance and Utilization Review Subsystem.

4.1.2.12.1 Overview

SURS evaluates the utilization of services by Medicaid recipients, surveys services billed by providers, and monitors staff resolution of pended claims. Its purpose is to support the identification of under and/or over utilization and potential fraud and abuse in the Medicaid program. SURS works in conjunction with the client-server Java-based Surveillance and Utilization Review System (J-SURS™), a COTS software application.

SURS is comprised of three major module applications and one COTS package:

- Sampling support;
- Explanation of Medical Benefits (EOMB) generation and tracking;
- Utilization tracking; and
- Surveillance and trend analyses (performed by J-SURS™)

Sampling Support

The sampling application is comprised of the following functional areas:

- Claims sampling;
- Enrollee sampling;
- Provider sampling;
- Prior authorization sampling;
- Technician code sampling; and
- Provider cross-reference sampling

Claims sampling, enrollee sampling, provider sampling, technician code and prior authorization sampling provide statistically valid samples. Provider cross-reference sampling does not perform statistical sampling; it reports the entire universe as defined on the online request screen.

Explanation of Medicaid Benefits Generation and Tracking
The EOMB application produces enrollee letters and associated EOMBs. EOMBs are produced for randomly selected recipients in accordance with DMAS-defined criteria. The EOMBs list claims paid/reported on behalf of the enrollee in the previous month.

Utilization Tracking
The utilization tracking application provides DMAS with reports and online inquiry screens to monitor and evaluate utilization of services. The utilization tracking application supports the following functions:

- Recipient claims history;
- Provider claims history;
- Unused prior authorization balances;
- Recipient service limit and prior authorization inquiry;
- Recipient utilization inquiry by selected service categories; and
- Recipient categories of service totals.

Utilization tracking supports DMAS' ability to review the status of recipients who have received restricted benefits or used the maximum number of benefits. The access to service utilization information allows DMAS to respond to provider inquiries and to review prior authorization.

Surveillance and Trend Analyses (performed by J-SURS™)
Surveillance and trend analyses are accomplished using J-SURS™, an essential component of SURS. J-SURS™ is described in Section 4.1.2.13 of the RFP.

4.1.2.12.2 Related Key Contracts
There are no key contracts for SURS.

4.1.2.13 Client-Server Java-based Surveillance and Utilization Review System

This section provides information about the Client-Server Java J-SURS™, which is a COTS software application developed, supported, and licensed by UPI Government Group, LLC. DMAS considers J-SURS™ an essential component of SURS.

4.1.2.13.1 Overview
J-SURS™ is a mandatory COTS application, for which the Contractor must acquire required license(s) for the latest version, as well as maintenance support from UPI Government Group, LLC. J-SURS™ is a historical data analysis tool that searches through Medicaid claims history to detect aberrant trends, outliers, and unusual billing patterns that can indicate waste, fraud, and abuse in the DMAS programs. DMAS uses the system to assist program managers in identifying providers and recipients who could be abusing the Medicaid program. Thirty-six months of claims data are stored on the J-SURS™ data servers. J-

SURS™ is compliant with current HIPAA regulations. DMAS' current fiscal agent contracts with UPI to maintain and support J-SURS™. UPI's ongoing maintenance and support package includes supplying enhancements and upgrades as they are developed. J-SURS™ runs on three core servers located in the DMAS data center at 600 East Broad Street, Richmond, Virginia and is owned by VITA. There are also five application workstations located at DMAS.

MMIS mainframe processing is required from the Claims Processing, Provider, Recipient, and Reference Subsystems to extract the data and create file formats for use by the J-SURS™ application. Extracts are required to be performed monthly and are used to update the three data servers at DMAS. This is accomplished via a remote-control upload application (NETOPS) within J-SURS™ that uses FTP over dedicated T-1 lines.

4.1.2.13.2 Related Key Contracts

- UPI Government Group, LLC for maintenance and support of J-SURS™.

4.1.2.14 Early Periodic Screening, Diagnosis, and Treatment Subsystem

This section provides information about the EPSDT Subsystem.

4.1.2.14.1 Overview

The EPSDT Subsystem provides for the collection of data concerning EPSDT program administration including identification of eligible enrollees, documentation of case management activities, and the extraction of service delivery information from paid claims. It also produces management reporting to meet DMAS' need to evaluate both performance and status and to support documentation requirements specified in federal regulations.

The EPSDT Subsystem supports activities related to administering scheduled preventive and remedial care for Medicaid enrollees who are under 21 years of age. Enrollees may select a provider enrolled under the program for the purpose of providing medical screening according to a state-defined periodicity schedule and providing referrals for correction of detected problems. This program encourages good health habits, establishes a relationship with a healthcare provider, and assists in the detection of abnormal conditions before they become more complicated—all of which provides a measure of cost containment within the Medicaid program and contributes to a healthier population.

Support of the Maternal and Infant Care Coordination program is integrated into the EPSDT Subsystem. The primary goals of this function are to collect the required information, determine and monitor program enrollment, and report on the MICC Program (also known as BabyCare), which focuses on assessment and outcome reporting for those mothers and infants determined to be at medical risk.

The EPSDT Subsystem provides the functional components to support the following objectives:

- Identify EPSDT-eligible enrollees from the Recipient database;
- Capture and maintain EPSDT-related service data from paid claims information;
- Monitor utilization of the EPSDT Program;
- Provide an online update function to maintain the Periodicity and Immunization schedules and expanded EPSDT services;
- Produce required CMS reports; and
- Support MICC services.

4.1.2.14.2 Related Key Contracts

There are no key contracts for the EPSDT Subsystem.

4.1.2.15 Automated Mailing Subsystem

This section provides information about the Automated Mailing Application.

4.1.2.15.1 Overview

The Automated Mailing Application produces name and address lists, letters, and mailing labels for enrollees and providers based on user-defined selection criteria. Online screens allow users to select from available parameters for providers and enrollees and to produce the information requested in either electronic or hardcopy format. The application maintains audit trails of information generated and stores the current version of letters that other subsystems generate, allowing selected DMAS users to update MMIS-produced letters online.

The subsystem performs the following functions:

- Generate mailing labels, form letters, or name and address lists in an electronic or paper format;
- Allow online selection of provider parameters including individuals, class type, specialty, and MCO affiliation;
- Allow online selection of enrollee parameters including benefit, age, sex, and aid category codes;
- Create new form letters and regenerate letters based on previous form letters;
- Support DMAS capability to generate and modify form letters;
- Catalog form letters;
- Create files to be downloaded to PC applications;
- Maintain audit trails of all requests and mailings;
- Interface with external Contractor; and
- Maintain and update MMIS-generated letters.

4.1.2.15.2 Related Key Contracts

While there are no key contracts for the Automated Mailing Subsystem, we note that the current FA has a contract with a mailing vendor and that among the vendor's services is to reformat addresses to meet postal standards.

4.1.2.16 Automated Response System

This section provides information about ARS.

4.1.2.16.1 Overview

DMAS' Internet-based applications are accessed through an FA Medicaid web portal supported by DMAS current fiscal agent. The ARS enables Direct Data Entry (DDE) of selected HIPAA-standard transactions as well as additional functionality as outlined in the ARS and User Administration Console (UAC) Functionality Table below. The ARS processes inquiries for real-time information available from the MMIS Provider, Recipient, Claims, and Financial data stores. Searches for claims include 24 months of claims history.

Table 4.1.2.16.1: ARS and UAC Functionality

UAC Transactions	**UAC Functionality**
Web Registration	Online provider set up for web use
UAC	Provider-administered logons and applications access
Web Registration Tutorial	Online application to provide assistance in Delegated Administration
ARS Transactions and Applications	**ARS Functionality**
Claims Inquiry and Response Status (276/277)	DDE Claim Status
Eligibility Inquiry and Response Status (270/271)	DDE Eligibility Status Service Limits
Prior Authorization Request	DDE transaction
Provider Check Status	Check Log Verification
Pharmacist requests provider ID by entering the provider license number	Returns Provider ID. This feature will accommodate NPI.

The User Administration Console allows providers to register over the web for administrator access. Once the initial administrator setup is completed, a provider can administer local passwords for its organization's users. In addition, user access to a provider's information is controlled locally. To access ARS from the FA Medicaid web portal, providers need a valid provider ID number, a provider PIN, and a personal computer with a browser and Internet access. The security consists of a Secure Sockets Layer (SSL) protocol that meets HIPAA security requirements. The UAC is proprietary software of the current fiscal agent.

The ARS gives users twenty-four-hours-a-day, seven-days-a-week access to information. Providers are not limited to a number of inquiries or transactions. The ARS provides a tutorial to assist users with the UAC delegated administration application. In addition, the current fiscal agent provides a help desk for provider use in registering for and using the ARS.

4.1.2.16.2 Related Key Contracts

The Contractor must provide Edify®. The Edify® product is a commercial software utility used to build applications for voice self-service platforms. Edify® also supports ARS. This application is connected to the host system by using TN 3270 screen-scraping technology to deliver customer data to the applications. Because the Edify® product is heavily integrated into the application performance, this software product is mandatory for running the applications.

4.1.2.17 MediCall

This section provides information about the MediCall application.

4.1.2.17.1 Overview

DMAS' MediCall application offers enrolled providers access to current enrollee eligibility information, check status, claims status, prior authorization information, service limit information, pharmacy prescriber identification number cross reference, and information to access enrollee eligibility and provider payment verification via a voice response application over the telephone.

MediCall offers providers flexibility in choosing the time of day for their inquiries twenty-four-hours-a-day, seven-days-a-week. A valid provider number and a touch-tone telephone are required to access MediCall. The MediCall application prompts the caller throughout inquiries, providing real-time information available from the MMIS Recipient and Claims databases, and remittance information from the Financial database. In addition, for pharmacists who key in prescribing provider's license number, the provider ID is returned. Searches against a Claims database include 24 months of claims history.

The MediCall application provides the option of operator assistance for recipient eligibility inquiries. While using the enrollee eligibility verification feature, a user can select an "opt out" option and speak with an operator.

4.1.2.17.2 Related Key Contracts

The Contractor must provide Edify®. The Edify® product is a commercial software utility used to build applications for voice self-service platforms. This application is connected to the host system by using TN 3270 screen-scraping technology to deliver customer data to the MediCall application. Because the Edify® product is heavily integrated into the MediCall application performance, this software product is mandatory for running the application.

4.1.2.18 SAS Applications

This section provides information about SAS applications.

4.1.2.18.1 Overview

DMAS and current Fiscal Agent staff members use SAS to support the Department's data analysis and reporting needs. SAS data files and text files used for SAS programming reside on the current Fiscal Agent's mainframe and are transferred to the DMAS SAS server for access by SAS users (refer to Sections 4.1.2.19 and Appendix D, item 3.1.). Coordination takes place between the current Fiscal Agent's MMIS Core Technology and DMAS Technology staff to guarantee data accuracy and successful data file transfers. SAS data are mission critical for meeting Agency objectives.

4.1.2.18.2 Related Key Contracts

There are no key contracts for the SAS applications other than licensing requirements.

4.1.2.19 DMAS Technology Applications

This section describes the applications that run on the DMAS Technology platform, which includes Government Financials, TPLRS, SAS, and miscellaneous databases.

4.1.2.19.1 Overview

The DMAS Technology is optimized for agency-specific applications, support functions, information retrieval, analysis, and reporting. The specifics of the DMAS Technology can be found in Section 3, Virginia Medicaid Enterprise Architecture and the system documentation for these applications.

4.1.2.19.2 Applications

Government Financials: This is a commercial package from Oracle. DMAS mainly uses the following components: General Ledger (GL), Accounts Payable (AP), Accounts Receivable (AR), and Purchasing. DMAS has custom interfaces from AR to TPLRS, CARS (state accounting system) and eVA (state purchasing). This system is housed at DMAS on an IBM AIX server.

TPLRS: This system tracks investigations of paid claims based on the discovery of other insurance or settlement monies that require the state to recover any Medicaid claims. The system scans downloaded claims (36 months) from the MMIS, plus provider and eligibility files from the MMIS to facilitate the investigations. Once a recovery is discovered, a case is set up in TPLRS and the associated invoice is interfaced to Accounts Receivable in Government Financials. The TPLRS system is housed on a Microsoft Windows 2003 64-bit server at DMAS.

SAS: Local copies of SAS files are stored on a Windows server with one (1) terabyte of storage for the data files (over 15,000 data files, approximately 400gb) (14,000 user files, 275gb). All files that reside on this system are zipped and transferred using File Transfer Protocol (FTP) from the Fiscal Agent to DMAS where they are unzipped and placed into the appropriate production folders. The data stored on the server contain:

- More than 15 years of claims data (encounter, fee-for-service, adjudicated, and pended); over 27 million claims/year updated monthly;
- Recipient eligibility records, active, and inactive for the past 3 years, 10 files with ~1.8 million records updated weekly;
- Provider records (rates, eligibility, NPI relationships); 15 files with ~115,000 records updated weekly;
- LTC Assessments, MICC, MSIS, Part D, MARS, Finance; updated weekly or monthly; and
- More than 40 reference files (diagnosis code values, NDC values, etc.) updated monthly.

Miscellaneous Databases: In addition, there are many other DMAS applications (including Microsoft Access applications, and applications such as Security Access Management (SAM), Resource Utilization Groups (RUGs), Hospital Cost Report Application (HCOST), and Fraud and Abuse Investigative Reporting (FAIR) that are stored and used by the agency. The list of other important applications can be found within Appendix D.

4.1.2.19.3 Related Key Contracts

There are no key contracts for the DMAS Technology Applications.

4.1.3 PLATFORM MANAGEMENT

This section provides information about Fiscal Agent Technology, MMIS Core Technology, and DMAS Technology. Contractor Requirements are in Appendix E.I and Service Level Agreements are in Appendix E.II.

4.1.3.1 Overview

As described in Section 3, the current Virginia Medicaid Enterprise Architecture is composed of the following components:

- Fiscal Agent (FA) Technology: This component contains all the commercial hardware, systems software, and telecommunications provided and operated by the Contractor to support the hosting of and transparent access to the MMIS, including the application software, tightly integrated Commercial Off-the-Shelf (COTS) software products, and related documentation; and

- DMAS Technology: This component contains all the commercial hardware, systems software, and telecommunications located at DMAS. The technical components will be operated and maintained by the Virginia Information Technologies Agency (VITA). (VITA is the Commonwealth's consolidated, centralized information technology organization.) While technical operational support for DMAS Technology is not within the scope of this RFP, software maintenance support for the identified custom application software in use on the COV-owned platforms is part of this RFP.

To help support and better describe the structure of this RFP, as well as the COV's long-term technology objectives, the Virginia Medicaid Enterprise Architecture described above is being redefined to include:

- MMIS Core Technology: Currently part of the FA Technology, this component will be defined on its own and specifically contains all the commercial hardware, systems software, COTS products integrated into the MMIS, and custom application software used for hosting the MMIS and related documentation.

4.1.3.2 MMIS Core Fiscal Agent Technology

The FA Technology is housed at fiscal agent facilities and is connected via telecommunications as described in Section 3. Virginia Medicaid Enterprise Architecture.

4.1.3.3 MMIS Core Technology

The MMIS Core Technology shall be housed by the Contractor and connected via telecommunications facilities as stated in Section 3, Virginia Medicaid Enterprise Architecture. The FA Contractor will provide and maintain appropriately sized telecommunication circuits between the MMIS Core Technology data center and the FA Technology data center (if not housed at the same location).

4.1.3.4 DMAS Technology

The DMAS Technology consists of the hardware and software owned and operated by VITA. As a result, there are no Contractor platform responsibilities. The FA Contractor will provide and maintain appropriately sized telecommunications circuits between the FA Technology data center and the DMAS Technology data center.

4.1.3.5 Related Key Contracts

There are no key contracts associated with Platform Management.

4.1.4 DOCUMENTATION MANAGEMENT

This section provides information about the Documentation Management functionality. There are currently a number of document management products deployed including OnDemand, Docutraxx, and Hummingbird™. Collectively, these store scanned images and documents from operational processes and technical processes such as operational procedure manuals, and user guides. Contractor requirements are described in Appendix A.I.

As part of the Fiscal Agent Services Contract, the multiple document management technologies currently in use will be consolidated into a single unified Enterprise Content Management (ECM) solution. The FA Contractor must construct the solution and address conversion of all current interfaces and migration of existing production documents and images to the new ECM and develop a documentation management methodology.

4.1.4.1 Overview of OnDemand

Electronic images of all DMAS operational reports and various other documents, such as claims invoices, remittance advices, prior authorizations, and letters are stored in the fiscal agent Document Archive and Retrieval System (FirstDARS™). The fiscal agent uses the IBM OnDemand content management software to capture and archive electronic copies of all reports and other documents as well as to store index information in the system database. FirstDARS™ is the fiscal agent application developed to access the OnDemand repository using Microsoft Internet Explorer and Adobe Acrobat Reader. Through FirstDARS™, authorized users can retrieve, view, and print reports and any other documents archived by the OnDemand system from their workstations.

Documents up to seven years old are stored in OnDemand and can be accessed via standard FirstDARS™ retrieval methods.

OnDemand is also accessible from the MMIS through a system interface that allows retrieval of claim images that were scanned from original paper documents as well as retrieval of online help documentation.

The fiscal agent provides an interface to DSS to support FTP of some of the reports generated by the MMIS.

4.1.4.1.1 Other Related Contracts

- The fiscal agent maintains a software licensing agreement with IBM for use and maintenance of the IBM OnDemand product.

4.1.4.2 Overview of Docutraxx

Docutraxx is a fiscal agent proprietary Computer Assisted Software Engineering (CASE) tool. The fiscal agent's development staff maintains documentation on data elements, program descriptions, and other MMIS artifacts. The data are extracted from the CASE tool and loaded to a web server as the MMIS online help for DMAS user access. Additionally, other documents such as user and procedure manuals as well as production schedules are posted to the same web server.

There is also a companion software product, CA ERwin® Data Modeler, which is a COTS product from Computer Associates (CA) and is used by the fiscal agent's Data Base Administrator group. Entity Relationship Diagrams (ERDs) are posted to the same web server that is used by Docutraxx and are available to DMAS and fiscal agent users.

There is a fiscal agent proprietary interface between the Docutraxx CASE tool and the web server. A manual process is used to post ERDs from the CA ERwin® Data Modeler product and the web server.

Some additional system artifacts are still on paper media and, therefore, are not captured in Docutraxx, such as miscellaneous technical system documentation and flowcharts from the original detailed system design process.

4.1.4.3 Overview of Hummingbird DM™

Hummingbird Connectivity™ provides a Windows to Unix connectivity product along with integrated document management and automated workflow components (Hummingbird DM™) which are used by the fiscal agent in support of the Provider Enrollment Services. Many types of provider related documents are scanned and the images are stored in Hummingbird DM™. These include provider enrollment applications, PES operational manuals, user guides, provider agreements, legal documents and financial documents. The Hummingbird DM™ software provides basic and advanced query capabilities and those are used in PES to retrieve various documents and images.

4.1.4.3.1 Other Related Contracts

- The fiscal agent maintains a software licensing agreement with Computer Associates (CA) with respect to the CA ERwin® Data Modeler product.
- The fiscal agent maintains a software licensing agreement with Open Text Corporation for utilization and maintenance of the Hummingbird products.

4.1.5 SECURITY AND RISK MANAGEMENT

This section provides information about Security and Risk Management.

4.1.5.1 Security

4.1.5.1.1 Overview

Throughout the term of the contract, the Contractor must remain compliant with the most stringent requirements from the following security references:

- Section 1902 (a) (7) of the SSA;
- HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);
- HIPAA Privacy Rule, 45 CFR Parts 160 and 164 Standards for Privacy of Individually Identifiable Health Information; Final Rule, August 14, 2002 (or later);
- COV ITRM Policy SEC500-02 dated July 19, 2007 (revised) (or later);
- COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later); and
- DMAS policies that require all access over public networks to disallow the use of weak encryption keys for all platforms unless it is already an IT standard.

The MMIS Core Technology CICS security system restricts the availability of data to appropriate DMAS staff as well as to other designated individuals along with other authorized organizations through standardized system applications and data security capabilities. Role-based security is used on other MMIS Core Technology products (for example, FirstDARS™). Network security is controlled by user authentication and access control rules.

MMIS Core Technology CICS Security System

The current mainframe uses Computer Associates' CA-Access Control Facility (CA-ACF2™) security application software for the MMIS. Security operates and maintains access in a clustered environment; a cluster is a group of screens or transactions predefined in CA-ACF2. For example, the number of clusters and number of users varies at any given time in MMIS production, but commonly has 180+ clusters and 5,000+ users.

Users of the data (or of the programs that access the data) may have individual privileges set on different objects. All decisions as to which specific privileges are granted for specific users are “policy-driven” rather than “technically driven” decisions. Security in general allows for the enforcement of the rules as defined and agreed upon by DMAS, and provided for in the overall Contractor-provided security plan.

The security system provides scheduled reports of all activity, unauthorized access attempts to system resources or data, data transfers and other systems processes to track system use. Sample security reports can be found in the RFP Reference Library. The definition of these reports, storage, and dissemination is developed in coordination with DMAS' Information Management Security Engineer or designee. These reports are exportable in a text format for importing into desktop products.

The security system provides DMAS' Security Engineer access to MMIS accounts to perform the following tasks:

- Resetting passwords;
- Modifying user accounts including such fields as:
  - user name,
  - telephone number,
  - locality assignment,
  - user identifier, and
  - account description;
- Suspending and unsuspending user accounts;
- Grouping of transactions to build common groups or clusters of transaction assignments; and
- Reviewing user assignments to troubleshoot access issues.

The security system allows DMAS to delegate limited password reset capability to another agency for password management of their user accounts because of the large number of accounts.

Other Platforms and Infrastructure Security Systems
Security for non-mainframe platforms reflected in the current MMIS Core and FA Technologies typically use role-based security in accordance with the FA security plan. Network infrastructure is also governed by the FA security plan. The FA security plan must conform to COV security standards.

4.1.5.1.2 Related Key Contracts
There are no Related Key Contracts for Security.

4.1.5.2 Risk Management

4.1.5.2.1 Overview
Throughout the term of the contract, the Offeror must remain compliant with the Risk Management requirements from the following security references:

- HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);
- COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later);
- COV ITRM Guideline SEC508-00 dated April 18, 2007 (or later); and

- DMAS policies.

The Offeror is expected to implement a comprehensive Risk Management program that includes Risk Management and IT Contingency Planning deliverables under the Risk Management plan. The plan must be acceptable to DMAS and according to VITA standards. The plan must include an explanation of how risks are identified and assessed, a tracking tool, controls for measuring risks, risk mitigation and retirement strategies, and a reporting process that results in risk reporting to DMAS management on a regular basis. In addition, the Risk Management plan must include the following VITA standards:

Risk Management standard includes the following areas:

- IT Security Roles and Responsibilities;
- Business Impact Analysis;
- IT System and Data Sensitivity Classification;
- Sensitive IT System Inventory and Definition;
- Risk Assessment; and
- IT Security Audits.

IT Contingency Planning standard and guidelines include the following areas:

- Continuity of Operations Planning;
- Disaster Recovery Planning; and
- IT System Backup and Restoration.

The FAS Contractor is required to conduct annual DR testing with DMAS. The scope of the DR testing includes:

- Coordination of a DR test plan and schedule with DMAS staff;
- Use of the FAS facility office space previously designated for DMAS to accommodate a limited number of DMAS staff members (see staffing section) involved in the DR tests;
- Support of DR tests to include:
  - A FAS Applications test,
  - An FA Technology and resident applications test,
  - DMAS Technology applications test;
- Provide temporary housing space of a DMAS-provided server and racks (estimated to be moved in 2 years); and
- Connectivity and Internet access to DMAS-provided equipment for the DMAS Technology applications test.

The Contractor must be willing to support Recovery Time Objectives stated in the DMAS Continuity of Operation Plan (COOP) and in the following tables below. The tables are for recovery time and recovery point objectives, data retention, and

backup specifications. DMAS will work with the Contractor to incorporate these requirements into the procured solution in order to support DMAS' COOP.

Table 4.1.5.2.1: MMIS Recovery Time and Recovery Point Objectives

Area	Platform	Recovery Time Objective (RTO)	Recovery Point Objective (RPO)
MMIS Core Technology	IBM Mainframe MMIS front-end subsystems (Reference, Provider, Recipient) and adjudication subsystems (Claims, Pharmacy, and Financial). Both online and batch processing. Real-time systems interfaces are operational.	5 Days	Data less than 3 days old.
	IBM Mainframe MMIS back-end subsystems (MARS, SURS, EPSDT, and all external interfaces).	5 Days	Data updated from source subsystems as necessary.
	Enterprise Document Management System	7 days	Data less than 5 days old.
	Medicaid Web Portal	5 Days	User access reestablished.
Fiscal Agent Technology supporting Virginia account	EDI Services (EDI server and telecommunications)	5 Days	Service available to trading partners.
	SAS Servers	5 days	User access reestablished Data less than 5 days old.
	CITRIX Servers	5 days	User access reestablished
	Remedy Servers	5 days	User access reestablished Data less than 5 days old.

Table 4.1.5.2.1.2: Data Retention

Item	Type	Retention period	Comment
Online databases	DB2	Varies by Database	Online databases records are archived to off-line storage media.
Online files	Files	Reflected in archive rules run according to production schedules	Online files are archived to off-line storage media.
Off-line	Cartridge	10 Years	

Table 4.1.5.2.1.3: Backup

Item	Type	Retention period
Production Online databases and files	Daily incremental and weekly full backups	Backup media rotated to secure offsite storage.
Development and test environments	Weekly full backups	Backup media rotated to secure offsite storage.

4.1.5.2.2 Related Key Contracts

There are no related key contracts for Risk Management.

4.1.6 CHANGE MANAGEMENT

This section describes the processes and responsibilities that relate to MMIS application software maintenance and modification on all platforms that comprise the MMIS Core and the DMAS Technology Platform components of the Virginia Medicaid Enterprise Architecture (Refer to Section 3).

4.1.6.1 Overview

Quality software maintenance and modification services are paramount to the Contractor's ability to support DMAS' attainment of business objectives. The Contractor must respond to DMAS requests for software maintenance and modifications and conduct System Development Life Cycle (SDLC) tasks that deliver timely, tested, and documented end products that function to DMAS specifications.

Change control on application for MMIS Core and the DMAS Technology areas are accomplished under the DMAS Configuration Management Plan using Information Service Requests (ISRs). There are several subtypes of ISRs that can be summarized into two broad categories: ISRs associated with change management, and ISRs used for research and ad hoc reporting needs. Indicators on the ISR are used to differentiate between the MMIS Core and the DMAS Technology applications. Other process differences include:

- The MMIS Core Technology applications employ a release development methodology based on a classical structured SDLC methodology that includes a Software Quality Assurance (SQA) function. Three types of releases are used: Routine, Emergency, and Production Maintenance; and
- The DMAS Technology Agency-specific applications employ a maintenance development methodology suitable for the smaller agency-specific applications and ad hoc reporting.

The Change Management processes are supported by the following applications:

- ISR Tracking System. A DMAS-owned custom application implemented in Remedy© and jointly used by DMAS and FA Contractor staff to track and manage ISRs and MMIS Releases; and
- Project Invision©. A COTS product used to track and monitor SQA testing defects and DMAS issues for each MMIS Release.

4.1.6.2 MMIS Core Technology

4.1.6.2.1 Software Maintenance and Modification

DMAS uses the following processes to identify work and manage the release process for software maintenance and modifications.

Release Planning

Work is identified using ISRs and then processed through established DMAS channels and procedures.

- Change Management ISRs are used to effect changes in programs, technical environments, documentation, database/files, and/or data. These types of ISRs

are planned for implementation using concurrently developed releases, each of which contains one or more assigned ISRs; and
- Research and ad hoc report ISRs are used by DMAS when the DMAS Technology ad hoc environment does not contain the necessary detailed information or when the expertise of the Fiscal Agent Systems Development Group is needed. The deliverable information is frequently used to prepare Change Management ISRs.

Work planning for Change Management ISRs employs a software release concept where one or more ISRs are assigned to a release for implementation. Major projects or upgrades would follow this same concept. Change management related ISRs fall into three types of releases:

- Routine Releases: ISRs that do not require immediate implementation can be planned for inclusion in forward (future) releases using a Project Planning Package (PPP). Routine releases are on a calendar quarterly release cycle;
- Production Maintenance Releases: ISRs that do require immediate implementation are typically system fixes or other emergency functional changes prepared by Contractor or DMAS staff. Production maintenance releases follow a six-week cycle; and
- Emergency Work Order (EWO) Releases: ISRs that require immediate implementation or other emergency functional changes that cannot be accommodated in a routine or production maintenance release.

Work estimating is a critical component of planning for software releases. The two primary estimates used are:

- Ballpark estimates provide a quick estimate of the hours needed to complete the ISRs. The DMAS Change Control Board (CCB) uses ballpark estimates to make decisions and to plan for forward routine releases; and
- Engineering estimates are used in the preparation of the Project Planning Package (PPP). The PPP is the final deliverable in the release planning process and reflects the software development life cycle and DMAS-approved standards, including a fully resourced and scheduled work plan to accomplish a release.

Release Development: Routine Release Process

DMAS, with input and guidance from the Contractor, assigns ISRs to a routine release based on the Release Calendar. Once the list of ISRs is confirmed and approved, the following steps occur:

- DMAS and the Contractor assign staff to the following roles on the release management team: Release Manager, SQA/Test Manager, Systems Development Manager (SDM), and Division Coordinator. Each role is responsible for coordinating with its counterpart at the other organization.

Additionally, DMAS assigns an Information Management Technical Lead (IMTL) as a coordinator within each business user team.

- The ISR requirements are consolidated into a release requirement matrix by the release management team. A joint requirements walkthrough is conducted with DMAS business users leading to confirmation/clarification and approval of detailed requirements.
- DMAS and the Contractor coordinate efforts to reach an agreed-upon PPP for the release. The PPP's work plan becomes the baseline to measure progress for the release. The release implementation is based on the PPP.
- Using the PPP, the assigned joint release management team routinely monitors progress against the PPP baseline and takes immediate action to keep the release implementation on the agreed-upon schedule. The release management team jointly manages the scope and risk management processes. Additionally, the release management team reports weekly progress on each release against the baseline in the Contractor's status report.
- The release management team employs walkthroughs with DMAS business user teams for design and SQA test case review and approval cycles.
- Test planning, execution, and test discrepancy reporting verify and validate the quality of changes to the software. The Contractor's SQA group provides oversight of testing and objective quality assessments. The following types of testing are employed:
  - Unit testing, system testing, and regression testing are planned and conducted by the Contractor and monitored by the Contractor's SQA group;
  - Developer independent testing and regression testing are designed by the SQA and conducted with support from the Contactor development staff; and
  - DMAS' acceptance testing, including testing with trading partners and other applicable external organizations, is supported and/or conducted by the Contractor in accordance with the approved PPP.

- Once the release has satisfied the SQA promotion criteria approved by DMAS, the release is scheduled for migration by the Contractor either into the DMAS acceptance test environment or into production.
- At the conclusion of testing, the following activities occur:
  - A Test Analysis Report is jointly prepared by the SQA/Test Manager. The report contains measurements from the defect and issues tracking tool and results from a user satisfaction survey. The measurement results are compared against historical performance and quality baselines;
  - Lessons learned are documented and are provided to the business user teams;
  - Release processes and procedures are changed when metrics indicate a need to do so; and
  - The Contractor performs post implementation monitoring as scheduled in the PPP.

Release Development: Production Maintenance Release Process
Production maintenance release processes are defined, managed, and executed by the Contractor using a methodology adapted from the routine release methodology. Other details:

- When emergency changes are made in production, an ISR is subsequently prepared by the Contractor and assigned to a production maintenance release;
- DMAS interacts with the process where recovery/reprocessing actions are necessary and for periodic audits;
- Production maintenance releases use a short duration development and testing cycle (currently six weeks);
- DMAS may periodically audit SQA test results; and
- SQA monitors, collects, analyzes, and reports on production quality using production trouble tickets and ISRs. Postmortem analysis is performed on selected production problems to identify failures in the release development processes.

Release Development: Emergency Work Order Release Process
The routine release methodology is used for an EWO release with the following exceptions:

- Consolidating requirements is not necessary prior to PPP preparation; and
- Release management team is much smaller so that an individual can assume responsibility for multiple roles.

4.1.6.2.2 Technical Environments

Technical environments are detailed in Section 3, Medicaid Enterprise Architecture. Each environment is complete with a database and is capable of supporting online and batch development and testing needs. The following table depicts the environment.

Table 4.1.6.2.2: Change Migration

	----------|Change Migration Path|---------->			
Production Maintenance	Technical Environment for Development and unit/SQA Testing	--> --> --> --> -->	Technical Environment for DMAS UAT	Technical Environment for Production
Release Development	Technical Environment for Development and unit test	Technical Environment for SQA systems testing	Technical Environment for DMAS UAT	
Note: Emergency Work Order Release uses either production maintenance or release environments depending on schedules.				

4.1.6.2.3 Application Production Support

System operation and production support for the MMIS Core applications are described in Section 4.1.3, Platform Management. Application production support consists of efforts necessary to support, monitor, and maintain MMIS production job streams and related processing.

4.1.6.3 DMAS Technology

4.1.6.3.1 Software Maintenance and Modification

The DMAS Technology hosts a number of system applications that the Contractor will be required to enhance and maintain as well as support DMAS ad hoc analysis and reporting functions. Inventories of the DMAS Technology applications are contained in Appendix D.

4.1.6.3.2 Application Production Support

Application production support is provided by the Contractor in accordance with the production schedule in Appendix D.

4.1.6.4 Other Related Contracts

There are no related contracts other than licensing for Remedy© Action Request System© (mandatory) and Project Invision© used for recording and tracking of defects.

4.1.7 ENHANCEMENTS

Although this RFP provides for a takeover of DMAS' current MMIS, DMAS is seeking proposals for certain enhancements to its system. Enhancements listed in this section are clearly noted as optional or mandatory. The mandatory enhancements are required for all Offerors submitting proposals for Fiscal Agent Services.

DMAS is interested in proposals on enhancements that meet the following criteria:

- Promote improvements in service levels to providers, particularly in the provision of web-based functionality for use by providers on the DMAS Medicaid web portal;
- Promote operational efficiencies and reduction in operating costs;
- Enhance the availability of program data to manage DMAS' programs;
- Facilitate progress in aligning DMAS' Medicaid program with CMS' Medicaid Information Technology Architecture requirements; and
- Promote integration of newer technology into DMAS' MMIS.

DMAS is interested only in solutions that can be easily and seamlessly integrated into its current MMIS. We are not interested in proposals that require extensive custom development or that require significant modifications to the MMIS.

4.1.7.1 MMIS Screens (Mandatory)

Currently, the MMIS uses an outdated screen-scraping technology to provide a graphical user interface (GUI) for all except DSS/LDSS users. The product (ClientBuilder) version in use for the MMIS has been out of support by the product manufacturer for many years. Further, the product's last release (Version 8.5) was in 2006 and the manufacturer has discontinued development on the product line.

The envisioned solution will provide a web-based user interface to the current MMIS CICS screens, as well as to the Enterprise Content Management (ECM) platform with minimal re-engineering of CICS screens. Use of a secure web site will ease access for all MMIS users.

Offerors are required to submit technical and cost proposals for provision of the web-based user interface. The proposals should include costs for updates to system documentation and online help. Proposals should be based on an implementation date of July 1, 2010. Refer to Section 3 Virginia Medicaid Enterprise Architecture and the system documentation contained in the Reference Library for additional information. Performance of the new screens must comply with the Service Level Agreements contained in Appendix E.II.

4.1.7.2 DMAS Medicaid Web Portal (Mandatory)

DMAS requires that the Offeror include in its response to this RFP a proposal for development and maintenance of a secure Medicaid web portal (https) for use by providers. The portal will provide a single point of access for all provider services as designated by DMAS, regardless of the entity providing the service. The Offeror must submit a proposal to develop and maintain the Medicaid web portal and provide help desk support for the Virginia providers. Although the Contractor will be compensated to develop and support the Medicaid web portal, the portal will be owned by DMAS. The Offeror must provide a secure site that complies with both HIPAA and the Commonwealth of Virginia security standards and guidelines.

The secure Medicaid web portal (https) must be designed to accommodate both new users and secure access by enrolled and registered providers. The Offeror will also be responsible for providing a single point of access with a single logon and password for all provider services, regardless of the entity providing the services. The secure Medicaid web portal (https) must also provide a user administration console with delegated administrative capabilities for users. The Offeror must automatically convert and incorporate existing security and delegated administration information in its solution. The Offeror must work cooperatively with all entities that furnish provider services on behalf of DMAS throughout the contract term.

The Commonwealth of Virginia is a founding member of a payer-provider collaborative to lower administrative costs in healthcare, the Virginia Healthcare Exchange Network (VHEN). When they become available, DMAS will explore utilizing VHEN tools to lower administrative costs and improve provider service on administrative transactions. The features and usage of the Medicaid web portal may need to be enhanced or altered when the VHEN portal begins to be used by DMAS providers.

Offerors are required to submit proposed technical and costing for provision of a secure Medicaid web portal (https) to be implemented on July 1, 2010. Provide separate proposed costs for the Takeover and Operations Phases. The costs for the Takeover Phase should be fully itemized disclosing each cost component. The costs for the Operations Phase must also be itemized and include ongoing maintenance costs, help desk support, and any other costs associated with provision and maintenance of the portal.

4.1.7.3 Executive Support System (Optional)

DMAS is interested in obtaining proposals for implementation and maintenance of an Executive Support System (ESS). The ESS should provide a comprehensive data warehouse with reporting and analytical capabilities to facilitate program and financial management. In addition to providing standard management and administrative reporting, the ESS should provide utilities to facilitate analysis of healthcare costs, utilization, quality, and performance measures.

Specific requirements for the ESS include:

- Standard, flexible, user-friendly reporting tools which are available to staff throughout the agency;
- Executive-level reporting containing data that can be manipulated by managers;
- Detailed ad hoc analytical reporting capabilities for experienced users; and
- Ability to support 10 years of claims data.

Offerors are encouraged to submit technical and cost proposals for provision of an ESS to be implemented on or after July 1, 2010. Provide separate cost proposals for the Takeover and Operations Phases. The proposed cost for the Takeover Phase must be fully itemized disclosing each cost component. The proposed costs for the Operations Phase must also be itemized and include ongoing maintenance costs, licenses, and other costs associated with ongoing operations.

If the Offeror proposes an ESS that will replace other reporting components of DMAS' MMIS, such as (MARS), this information must be included in the costing. If any replacements would reduce the Offeror's costs for the Core Technology Applications, the cost reduction must be itemized and cross-referenced to the Offeror's cost proposal for providing those services.

4.1.7.4 Offeror Proposed Enhancements (Optional)

DMAS encourages Offerors to identify and propose any enhancements that would benefit the Medicaid program through cost savings, operational efficiencies, improved customer service, or some other tangible benefit such as a higher level of MITA conformance. The Offeror must describe any proposed enhancement as it relates specifically to the Virginia MMIS in terms of systems changes, operational changes, or a combination of both. The detailed description must also indicate the scope of the changes, impacted aspects of the MMIS, and the specific anticipated benefits. The cost for the Offeror's proposed enhancements must be included in Section II, Optional Enhancements to MMIS on Schedule B-1 and Schedule B-2. Any reductions to other costs that would accompany an enhancement must also be identified.

4.1.8 TAKEOVER AND TURNOVER

4.1.8.1 Takeover

Takeover of the Virginia MMIS is a major project that falls under the oversight of the Project Management Division of the Virginia Information Technologies Agency. The project is known as the Medicaid Enterprise Re-procurement project. As such, DMAS must follow the Information Technology Investment Management (ITIM) process established by the Commonwealth of Virginia (COV). ITIM is a state management process that provides for the identification, selection, control, and evaluation of business-driven IT investments for major projects and procurements. This process ensures that Information Technology (IT) investments are tied to the Commonwealth's strategic planning process, and are used in achieving Agency goals and objectives.

DMAS will follow the COV project management (PM) standards (ITRM-CPM-112-02). The established COV project management processes and key deliverables will be used by the Commonwealth in an oversight capacity for the re-procurement project to minimize risk and maximize return on investments. In addition, VITA requires DMAS to procure Independent Verification and Validation (IV&V) services as a risk precaution for the project. The IV&V audit will be integrated into the project quality management.

The Contractor project team will align its Takeover activities with the project phases listed below. This section outlines the key deliverables required for the Fiscal Agent Services project life cycle. The project life cycle will be composed of five (5) COV project management phases and one (1) DMAS phase:

- Project Initiation Phase (COV PM);
- Project Planning Phase (COV PM);
- Project Execution and Control Phase (COV PM);

- Project Closeout Phase (COV PM);
- Project Evaluation Phase (COV PM); and
- Operations Phase (DMAS).

The key deliverables identified in Table 4.1.8.1.5 are not meant to be exhaustive for the Takeover project. DMAS and the Contractor will establish any additional deliverables as part of a standard project management methodology. All Contractor-related deliverables will be prepared by the Contractor and approved by DMAS.

Unless otherwise agreed to, all Contractor deliverables will be an electronic copy in MS-Word and Adobe PDF (the versions agreed to by DMAS) on a CD-ROM or an electronic email attachment. Each deliverable should be assigned a tracking and version number. DMAS will provide comments on the initial delivery no later than the 10th day after the day of the deliverable receipt date. Comments will be returned either in a comment tracking spreadsheet or in the MS-Word document with "Track Changes" turned on. The Contractor will provide a revised version back to DMAS no later than the 5th day after the day of the deliverable response receipt date. Thereafter, comments will be responded to by DMAS or the Contractor by the 5th day after the day of the resubmission date, until DMAS accepts the deliverable.

4.1.8.1.1 Initiation and Planning Phases Deliverables

The Initiation and Planning Phases are the first phases of the project Takeover. As such, DMAS will follow an established project management methodology that includes oversight by VITA. The emphasis is placed on communicating clear expectations between DMAS and the stakeholders, using industry-proven project management practices including submission of quality deliverables, and adhering to the Takeover schedule.

The Initiation and Planning Phases will include a number of key deliverables. The following is a list of the key deliverables:

- Project Proposal and Project Charter (DMAS prepared deliverables); and
- Detailed Project Plan.

4.1.8.1.2 Execution and Control Phase Deliverables

Once VITA approves the Initiation and Planning Phases Deliverables, DMAS will be authorized to proceed to the Execution and Control Phase. This phase will continue until implementation is complete. The Execution and Control Phase will include a number of key deliverables. The following is a list of the key deliverables:

- Updated Detailed Project Plan;
- Test Plan;
- Training Plan; and
- Implementation Plan.

4.1.8.1.3 Project Closeout and Evaluation Phases Deliverables

The Project Closeout and Evaluation Phases will include a number of DMAS prepared deliverables. The Contractor will provide input to the reports. The following is a list of the key deliverables:

- Project Closeout Report (DMAS prepared deliverable); and
- Post-implementation Report (DMAS prepared deliverable).

4.1.8.1.4 Operations Phase Deliverables

The Operations Phase will include a number of deliverables that will govern the management of services once the system has been implemented. These deliverables will be developed and accepted prior to implementation and according to Appendix C.I: Schedule A – Project Major Milestones Schedule. The Operations Phase deliverables which the Contractor will maintain throughout the Operations Phase of the contract, consist of plans that govern quality, change management, risk management, security, disaster recovery, continuity of business operations, training, communications and performance reporting, service level agreement monitoring, documentation management and ultimately Turnover. These deliverables will be used by DMAS to ensure the contractor's commitment to excellence in delivery of information technology and business services. The following is a list of those key deliverables:

- Quality Management Plan;
- Document / Documentation Management Plan;
- Change Management Plan;
- Risk Management Plan;
- Security Plan;
- Training Plan;
- Communications and Performance Reporting Plan;
- SLA Reporting Application;
- Disaster Recovery Plan
- Continuity of Operations Plan; and
- Turnover Plan.

The Key Deliverables Table below summarizes each deliverable and its associated Appendix or Schedule. Appendix C: Takeover/Turnover provides instructions and requirements for the deliverables. Note: Appendix C.I: Detailed Project Plan and Schedule has supplemental Schedules that are also required to complete the deliverable.

4.1.8.1.5 Deliverables Table

Table 4.1.8.1.5: Key Takeover Deliverables

FA Services Contract	Phases / Key Deliverables	Appendices / Schedules	Description
	Initiation and Planning		
	1.0 Project Proposal and Project Charter	DMAS prepared deliverable	Formal project documentation submitted by DMAS for VITA Project approval
X	2.0 Detailed Project Plan and Schedule	Appendix C.I	Overall detailed project plan made up of a variety of deliverables that address the Takeover phase.
X	a. Executive Summary section		This section is a high-level summary.
X	b. Approach section for the Takeover deliverable		This section identifies the approach the Contractor will employ for the Takeover.
X	c. Major Project Phases, Milestones, and Deliverables section	Schedule A	This section is a chart of Major Phases, Milestones and Deliverables. The chart is also a schedule for deliverables. This information is intended for building a Project Work Plan.
X	d. Performance Reporting Summary section	Schedule B	This section outlines weekly performance reporting during the project.
X	e. Contractor Set-Up section: Staffing Acquisition Facility Acquisition Hardware and Equipment Software Acquisition and Installation Data Transition Documentation Takeover and Updates Plan	Schedule C Schedule D Schedule E Schedule F Schedule G Schedule H	Section includes the startup activities for the Contractor
X	f. Risk Management section	Schedule I	Takeover Risk Management section
X	g. Quality Management section	Schedule J	Takeover Quality section for the Contractor activities
X	h. Change Management section	Schedule K	Takeover Change Management
X	i. Security section	Schedule L	Takeover Security section
	Execution and Control		
X	1.0 Updated Detailed Project Plan	Appendix C.I – Updated	Updates to sections in plan
X	2.0 Test Plan	Appendix C.II	Test plan includes test activities up to implementation
X	3.0 Takeover Training Plan – Part A – Takeover	Appendix C.III	Project deliverable that addresses Takeover training

FA Services Contract	Phases / Key Deliverables	Appendices / Schedules	Description
X	4.0 Implementation Plan	Appendix C.IV	Contains activities leading up to the implementation, and that are necessary for the cutover to the new contractor.
	Project Closeout and Evaluation		
	1.0 Project Closeout Requirements	Appendix C.V	The Closeout report will be submitted by DMAS, with Contractor input
	2.0 Project Evaluation Requirements – Post-Implementation Review (PIR)	Appendix C.VI	The Post-implementation Review report will be submitted by DMAS, with Contractor input
	Operations		
X	1.0 Quality Management Plan	Appendix C.VII	Quality Assurance policies and procedures and quality controls for how systems and business operations will be conducted.
X	2.0 Document / Documentation Management Plan	Appendix C.VIII	Documentation policy and procedures under which the system will operate.
X	3.0 Change Management Plan	Schedule K – Updated	Documented policy and procedures for change management under which the Contractor will operate.
X	4.0 Risk Management Plan	Appendix C.XII	Documented policy and procedures for risk management under which the system will operate.
X	5.0 Security Plan	Appendix C.XI	Documented policy and procedures for security under which the Contractor will operate.
X	6.0 Training Plan Part B – Operations	Appendix C.III – Updated	Documented policy and procedures for training under which the systems and business operations will be conducted.
X	7.0 Communications and Performance Reporting Plan	Appendix C.IX	Documented policy and procedures for Communications and Performance Reporting under which the Contractor will operate.
X	8.0 SLA Reporting Application	Appendix C.XIII	This is the documented application used to track SLAs to report on against performance.
X	9.0 Disaster Recovery Plan	Appendix C.XIV	This is the plan that meets VITA standards for disaster recovery activities and requirements.
X	10.0 Continuity of Operations Plan	Appendix C.XV	This is the plan that meets VITA standards for continuity of operations activities and requirements.

4.1.8.2 Turnover at Contract Conclusion

Prior to the conclusion of the contract awarded as a result of this RFP, the Contractor will provide assistance in turning over the MMIS components to DMAS or the successor contractor/entity.

4.1.8.2.1 Overview

The Turnover task objectives require that the Contractor provide an orderly, cooperative, comprehensive, and controlled transition to DMAS or a DMAS contractor. The Turnover should result in minimal disruption of processing and services provided to recipients, providers, and operational users.

The Turnover functions described in this section include DMAS responsibilities, Contractor deliverables, and milestones.

4.1.8.2.2 DMAS Responsibilities for Turnover

DMAS will assume the following responsibilities:

- Notify the Contractor of DMAS' intent to terminate and transfer the system at least twelve (12) months prior to the end of the contract in a document known as the Turnover notification letter;
- Review and approve the deliverables identified in section 4.1.8.2.3, Key Turnover Deliverables;
- Report and coordinate the resolution of issues between contractors;
- Chair a weekly meeting with the Contractor, provide feedback on Contractor's weekly reports, and participate in risk management and corrective actions plans; and
- Participate in post-turnover review period and obtain post-turnover support from the Contractor as needed.

4.1.8.2.3 Contractor Deliverables

The Turnover deliverables that the Contractor is responsible for are included in Appendix C.X. DMAS will review and approve each of the Turnover deliverables.

Table 4.1.8.2.3: Key Turnover Deliverables

Fiscal Agent Contractor	Phases / Key Deliverables	Appendices / Schedules	Description
	Operations		
X	11.0 Turnover Plan	Appendix C.X	Approach, work plan, resource requirement statement, Turnover organization chart, inventory of Turnover components, Turnover status report, and Turnover Final letter.

4.1.8.2.4 Turnover Milestones

The chart below identifies the Turnover milestones that the Contractor and DMAS will use to manage the progress toward the fixed turnover date.

Table 4.1.8.2.4: Turnover

Milestone
Contractor builds and submits for approval a Turnover Plan
Contractor designates a resource team for Turnover
Contractor completes a detailed organization chart
Contractor completes the Turnover software inventory
Contractor completes the Turnover hardware inventory
Contractor completes the Turnover status report
Contractor submits final Turnover completion letter

4.2 CONTRACT STAFFING REQUIREMENTS

This section details the staffing and location requirements for the Fiscal Agent Services Contract. Please refer to the Provider Enrollment Services and Drug Rebate Services sections of the RFP for staffing requirements for those contracts.

The staffing requirements are separated into two major phases: (1) the Takeover Phase and (2) the Operations Phase. The Takeover Phase begins with contract award and ends on June 30, 2010. The Operations Phase begins on July 1, 2010 and continues through the four-year base contract, plus any option years exercised by DMAS.

Other than the Key Staff outlined in Section 4.2.1 and the staff supporting DMAS Technology Applications outlined in Section 4.2.5.1.3, this RFP does not define Contractor staffing requirements. DMAS is relying upon the experience of the Contractor to propose and provide an adequate number of qualified and experienced staff during all phases of the contract.

As part of its proposal, the Offeror must provide detailed staffing plans and organizational charts for both the Takeover and Operations Phases. The staffing plans must include all proposed staff by position title and effective date of entry. For the Takeover Phase, also include the exit date for any staff not required after June 30, 2010.

The Offeror's proposed staffing plan for the Takeover Phase must be sufficient to ensure a smooth transition to the new contract effective July 1, 2010, and to meet all contract deliverable dates as outlined in the Takeover project work plan each Offeror is required to submit with its proposal. The Offeror's proposed staffing plan for the Operations Phase must be sufficient to meet all requirements of this RFP, including the contract Service Level Agreements outlined in Appendix E.II.

4.2.1 VIRGINIA MMIS KEY STAFF

The following organization chart and tables specify the reporting structure and required responsibilities and qualifications for key staff. A single, full-time individual must be dedicated solely to each key staff position throughout the contract term. All key staff must be located at the Contractor's Richmond, Virginia facility. Unless otherwise noted, all required key staff must be provided for both the Takeover and Operations Phases.

DMAS must approve all key staff appointments in advance. Should any turnover among key staff members occur during the contract term, all replacement staff must meet the requirements of this RFP and be approved by DMAS.

4.2.2 KEY STAFF ORGANIZATION CHART

The following positions comprise the key staff:

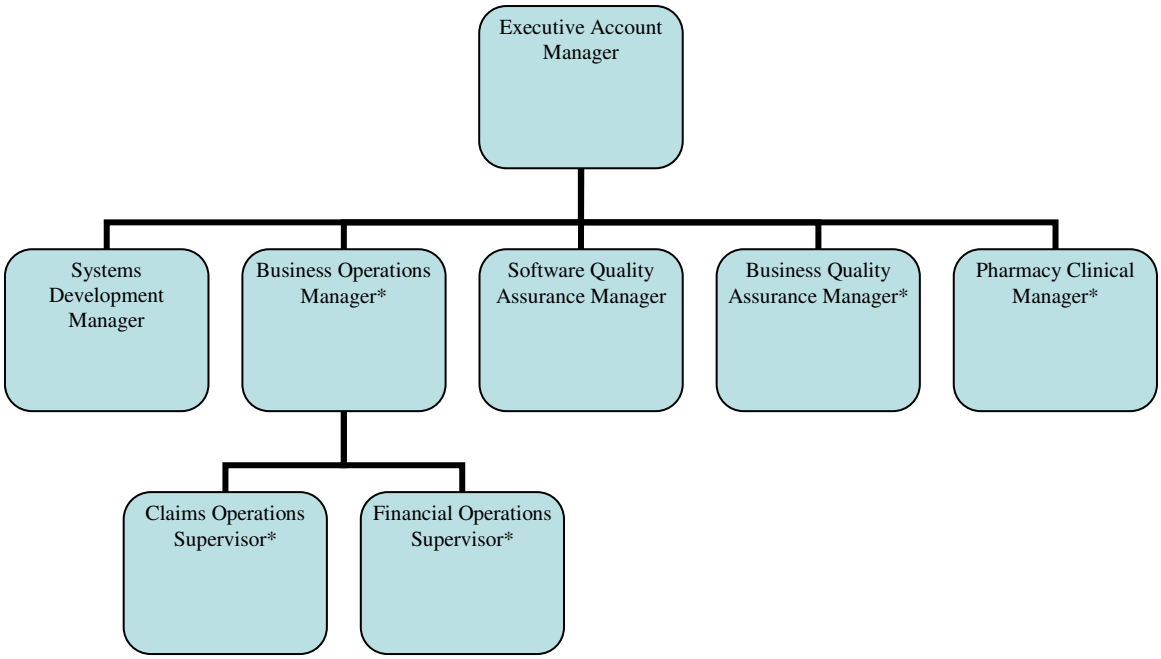

Figure 4.2.2

*In their staffing plans for the Takeover phase, Offerors must indicate the timeframe in which these resources will be required to be in place.

4.2.3 KEY STAFF REQUIREMENTS

Table 4.2.3.1

Title:	Executive Account Manager
Responsibilities:	• Ensure that all services provided meet or exceed contract requirements; • Foster cooperative relationships among partners; • Serve as a single point of contact for problems and issues that need to be resolved at the senior management level; • Ensure that DMAS is satisfied with the delivery of all services and take corrective action to initiate improvement where needed; • Ensure compliance with all performance standards specified in the contract; and • Ensure compliance with all quality program standards in the DMAS-approved Quality Assurance Plans.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated ability to effectively communicate with customer senior management and foster cooperative relationships with partners; • Demonstrated ability in problem resolution and conflict management; • Demonstrated performance as a leader of teams in a dynamic environment; • Demonstrated knowledge of healthcare systems management; • Demonstrated track record of implementing quality improvement and customer satisfaction monitoring programs; • Demonstrated ability to motivate work force and set tone of customer partnership for large IT contracts; • Demonstrated ability to stay abreast of evolving National Healthcare Industry standards and to incorporate them where applicable; • Demonstrated skills in IT, business, and operations innovation to meet customer objectives; and • Demonstrated ability to manage large IT projects to successful completion.
Education:	• Graduation from an accredited college or university with a bachelor's degree required. Advanced degree in information technology or business administration preferred.
Preferred Accreditation:	• Certified Commercial Contracts Manager (CCCM) – National Contract Management Association; or • Certified Six Sigma Black Belt or Master Black Belt; or • Certified Professional Contracts Manager (CPCM) – National Contract Management Association; or • Project Management Professional (PMP) – Project Management Institute.

Table 4.2.3.2

Title:	System Development Manager
Report To:	Executive Account Manager
Responsibilities:	• Manage planning, developing, testing, and implementing all software application changes by system development staff; • Ensure that all systems development is performed in accordance with approved change management plan requirements specified in Section 4.1.6; • Initiate recommendations to DMAS for software application improvements; • Participate in meetings of the DMAS Configuration Control Board; • Implement process that accurately estimates systems development efforts; and • Report systems development activities, including but not limited to the execution and status of releases associated with performance standards to DMAS on a weekly basis.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated comprehensive experience managing the planning, developing, testing, and implementing of software application changes; • Demonstrated comprehensive experience using software development lifecycle methodologies; • Demonstrated ability to simultaneously manage large scale concurrent projects and effectively respond to unanticipated DMAS business priorities; and • Demonstrated ability to manage staff in a complex IT environment.
Education:	• Graduation from accredited college or university with coursework in information technology, business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.
Preferred Accreditation:	Project Management Professional (PMP) – Project Management Institute.

Table 4.2.3.3

Title:	Business Operations Manager
Report To:	Executive Account Manager
Responsibilities:	• Ensure all operational results meet performance standards in the RFP; • Oversee and monitor the daily activities, including special reports as needed, for the entire business operations function of the contract; • Report and resolve all operations issues timely and in accordance with the RFP; • Establish internal QA program and provide detailed reports and corrective action plans; • Manage operations staff; • Ensure operations policies and procedures are approved by DMAS prior to implementation and changes are documented on a timely basis; and • Chair a biweekly (or as needed) joint operations meeting with DMAS.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated significant business operational experience in Medicaid or another healthcare production environment; • Demonstrated experience developing and leading process improvement programs; • Demonstrated experience planning, implementing, and administering complex operational processes and procedures; • Demonstrated ability to identify and promulgate diverse and complex operational issues orally and in writing with all levels of management; and • Demonstrated strong analytical, organizational and problem solving abilities.
Education:	• Graduation from accredited college or university with coursework in information technology, business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.

Table 4.2.3.4

Title:	Software Quality Assurance Manager
Report to:	Executive Account Manager
Responsibilities:	• Define, implement, and validate DMAS-approved quality program as specified in Section 4.1.8; • Monitor performance to ensure compliance with contract; • Supervise independent software quality assurance testing of all system change orders; • Recommend process improvements to improve quality of software releases and system documentation; • Conduct internal field audits, as required in the quality plan, for technical processes, such as system testing and change management, and system documentation; and • Report quality program activities and metrics associated with performance standards to DMAS on a weekly basis.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated knowledge of quality programs in a complex IT environment; • Demonstrated ability to communicate effectively, orally and in writing with all levels of management; • Demonstrated experience in configuration management discipline; • Demonstrated experience analyzing performance metrics and identifying corrective actions needed to comply with contract requirements; and • Demonstrated ability to manage independent testing of software quality.
Education:	• Graduation from accredited college or university with coursework in information technology, business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.
Preferred Accreditation:	• Certification from American Society for Quality (Quality Auditor, Quality Engineer, Quality Assurance Manager, or Six Sigma Black Belt); or • Project Management Professional (PMP) – Project Management Institute; or • Equivalent certification.

Table 4.2.3.5

Title:	Business Quality Assurance Manager
Report to:	Business Operations Manager
Responsibilities:	• Define, implement, and validate DMAS-approved quality program as specified in Section 4.1.8; • Develop and implement a comprehensive Quality Assurance plan for the operational functions associated with the MMIS Core; • Monitor performance to ensure compliance with contract; • Supervise independent quality assurance testing of all system change orders with operational components; • Recommend process improvements to improve quality of operational component of system releases and documentation; • Conduct internal audits, as required in the quality plan, for operational processes, such as claims processing, returned mail and customer services; and • Report quality program activities and metrics associated with performance standards to DMAS on a weekly basis.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated knowledge of quality programs in business operations environment; • Demonstrated ability to communicate effectively, orally and in writing with all levels of management; • Demonstrated ability to motivate, monitor and build a high functioning operational team; • Demonstrated experience in business analysis, performance metrics, and identifying corrective actions needed to comply with contract requirements; and • Demonstrated ability to manage independent testing of software quality.
Education:	• Graduation from accredited college or university with coursework in business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.
Preferred Accreditation:	• Certification from American Society for Quality (Quality Auditor, Quality Engineer, Quality Assurance Manager); or • Six Sigma Black Belt; or • Project Management Professional (PMP) – Project Management Institute; or • Equivalent certification.

Table 4.2.3.6

Title:	Claims Operations Supervisor
Report to:	Business Operations Manager
Responsibilities:	• Manage day-to-day operations of inbound and outbound claims processing functions in accordance with DMAS Service Level Agreements; • Ensure that all operational components are performed in accordance with approved contract requirements; • Ensure that cooperative relationships exist in a customer environment and work cooperatively with a state-run operations group; • Ensure that all request jobs are run as approved by DMAS; • Manage claims processing staff to meet DMAS requests, including ad hoc reporting, special batch requests and other needs as they arise; • Report and resolve production and environment issues timely and accurately; and • Report Operational metrics associated with Service Level Agreements to DMAS on a weekly basis.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated experience managing people, developing teams, and meeting contractual requirements; • Demonstrated ability to communicate effectively, orally and in writing with all levels of management; • Five or more years claims processing experience; • Demonstrated ability to simultaneously manage concurrent projects and effectively respond to unanticipated DMAS business needs; • Demonstrated ability to manage staff in a diverse and highly stressful environment; and • Demonstrated experience with superior customer service skills.
Education:	• Graduation from accredited college or university with coursework in business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.

Table 4.2.3.7

Title:	Financial Operations Supervisor
Report to:	Business Operations Manager
Responsibilities:	• Manage day-to-day operations of check processing functions including returned checks, check voids and manual check issuance in accordance with DMAS established policy; • Ensure monthly bank account reconciliation and annual opening and closing of bank account is completed timely and accurately in accordance with DMAS established policy; • Support the budgetary function by loading and maintaining the budget at DMAS' request; • Ensure that all operational components are performed in accordance with approved contract requirements; • Ensure that cooperative relationships exist in a customer environment and work cooperatively with a state-run operations group; • Manage financial services staff to meet DMAS requests as they arise; • Report and resolve production and environment issues timely and accurately; and • Report Operational metrics associated with Service Level Agreements to DMAS on a weekly basis.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated experience managing people, developing teams, and meeting contractual requirements; • Demonstrated ability to communicate effectively, orally and in writing with all levels of management; • Five or more years applicable financial services experience; • Demonstrated ability to simultaneously manage concurrent projects and effectively respond to unanticipated DMAS business needs; • Demonstrated ability to manage staff in a diverse and highly stressful environment; and • Demonstrated experience with superior customer service skills.
Education:	• Graduation from accredited college or university with coursework in business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.

Table 4.2.3.8

Title:	Pharmacy Clinical Manager
Report to:	Executive Account Manager
Responsibilities:	• Offer pharmacy clinical program support to the state; • Serve as liaison and support the work of the DMAS Drug Utilization Review (DUR) Board to include recommendations for clinical reviews, clinical research, preparation of meeting materials, completion of meeting minutes, etc.; • Produce regular DUR reports and lead the development of the DUR annual report to the General Assembly; • Complete the design, content and evaluation of ad hoc pharmacy clinical and utilization reports; • Monitor pharmaceutical market and, when relevant, make recommendations for DMAS action based on market changes; • Provide recommendations for pharmacy clinical edits related to patient, e.g., therapeutic duplication, drug-to-drug interaction, early refills, drug-to-disease interaction, etc.; • Coordinate all system changes, testing, and implementation activities related to pharmacy clinical edits and claims processing; • Support in a consultative manner, the Virginia Medicaid PDL Program in coordination with the PDL Clinical Manager; • Ensure that all services provided meet or exceed contract requirements and performance standards; and • Ensure that personnel assigned to the contract are fully trained and knowledgeable about Virginia Medicaid standards, policy and protocols.
Knowledge, Skills, Abilities, and Experience:	• Drug utilization management experience; • Previous experience in a similar business environment; • Specialty training or previous experience in the Clinical Management products/services process for a large, complex business such as a state Medicaid or health insurance company; • Previous experience in the healthcare industry, especially pharmacy management; and • Public sector or pharmacy benefit-us management experience.
Education:	Bachelor's degree in Pharmacy from an accredited institution and licensed to practice in the Commonwealth of Virginia.

4.2.4 STAFFING – TAKEOVER PHASE

During the Takeover Phase, the Contractor will be responsible for all activities associated with successful transition of Fiscal Agent Services to the new Contractor. These activities are detailed in Section 4.1.8 Takeover and Turnover.

Offerors must submit a staffing plan designed to ensure that all Takeover activities are accomplished according to dates in the Contractor's proposed Takeover project work plan. The proposed staffing plan should also be developed to ensure a smooth transition of Fiscal Agent Services by July 1, 2010. Offerors must include an organizational chart with the proposed staffing plan.

The FAS Offeror must propose to host and operate the MMIS to include staffing for operating the MMIS. The proposed staffing levels must be based on the Offeror's experience and the information contained in Section 4, Fiscal Agent Services; Section 3, Virginia Medicaid Enterprise Architecture; Section 4.1.3 Platform Management, and the requirements in Appendix E.I. Also refer to the system documentation contained in the Reference Library. The proposed staffing for Contractors submitting proposals for Provider Enrollment Services and Drug Rebate Services should be included in those sections of the RFP and not in the Fiscal Agent Services Takeover Staffing Plan.

4.2.5 STAFFING – OPERATIONS PHASE

In the Cost Proposals (see Section 4.4), Offerors will be required to provide hourly rates for all proposed staff, with the exception of the Key Staff required in Section 4.2.1 of this RFP. Changes in business conditions or requirements may require an increase or decrease to the number of required staff during the contract term.

Offerors will be required to propose staff in two major areas. (1) Fiscal Agent Services Systems Group; and (2) Business Operations Group. Requirements for the two groups are detailed in the following sections.

4.2.5.1 Staffing for Fiscal Agent Services Systems Group

Staffing for the Systems Group is comprised of three areas: (1) MMIS Systems Development Group, (2) Production Support Group, and (3) DMAS Technology Applications Group.

Offerors are required to propose staffing levels for each of these three areas based on a combination of the following:

- The Offeror's experience;

- The information contained in Section 3 Virginia Medicaid Enterprise Architecture; Section 4.1.3 Platform Management, Section 4.1.4 Documentation Management, and Section 4.1.6 Change Management; and
- The system documentation contained in the Reference Library.

Unless approved in writing by DMAS, all staff must be devoted exclusively to the contract as awarded.

4.2.5.1.1 MMIS Systems Development Group

The MMIS Systems Development Group will be responsible for all system maintenance and modification activities. These activities must be executed in conformance with Section 4.1.6 Change Management of this RFP. For the first year of operations, the staffing level must accommodate a minimum of 50,000 system enhancement hours, plus sufficient staffing to accommodate system maintenance, research, and ad hoc reporting activities. Historical data related to the number of system service requests are included in Fiscal Agent Services Statistics. DMAS reserves the right to change the enhancement hours and the number and mix of staff supporting this group at any time during the term of the contract. Because Change Management is crucial to the Contractor's success, DMAS expects the Contractor to have sufficient staff, including a change management coordinator, to support change management activities.

4.2.5.1.2 Production Support Group

The Production Support Group is responsible for all activities related to production support and environments. The Offeror's response must be based on the Offeror's experience with supporting large-scale processing systems. Also refer to Section 4.1.3 Platform Management and Section 3 Virginia Medicaid Enterprise Architecture for information on which to base the proposed staffing level.

4.2.5.1.3 DMAS Technology Applications Group

The Contractor's DMAS Technology Applications Group provides application development support for DMAS' Oracle Government Financials, Third Party Liability Recovery System, ad hoc reporting and analysis, miscellaneous databases, and backup website support. All DMAS Technology Applications Group resources will be resident at DMAS' home office at 600 East Broad Street in Richmond, Virginia. The Applications Development Manager reports administratively to the Contractor, but operationally to DMAS.

The following resources types are required:

- Application Development Manager;
- Oracle Database Administrator;
- Oracle Financials Developer;
- Oracle Developer;
- SAS Developer;

- Access Developer;
- Security Technician; and
- Technical Writer.

The qualifications for each resource type are listed below:

Table 4.2.5.1.3.1

Title:	Applications Development Manager
Report to:	Contractor's System Development Manager (administratively); DMAS Systems Development Manager (operationally)
Responsibilities:	• Manage planning, developing, testing, and implementing of all Agency-specific software application changes; • Ensure that all systems development is performed in accordance with approved change management plan requirements. • Ensure that cooperative relationships exist in a customer environment; • Work cooperatively with a state-run operations group supporting the DMAS Technology applications; • Ensure that all request jobs are run as approved by DMAS; • Manage systems development staff to meet DMAS application requests, including ad hoc reporting needs using SAS and comparable software; and • Report and resolve production and environment issues for DMAS Technology based applications;
Knowledge, Skills, Abilities, and Experience:	• Demonstrated experience in configuration management discipline; • Demonstrated ability to communicate effectively, orally and in writing with all levels of management; • Three or more years relational database development experience, Oracle preferred; • Demonstrated ability to simultaneously manage concurrent projects and effectively respond to unanticipated DMAS business needs; • Demonstrated ability to manage staff in a multiplatform environment; and • Ability to perform back-up database administrator duties a plus.
Education:	Graduation from accredited college or university with coursework in information technology, business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.

Table 4.2.5.1.3.2

Title:	Oracle Database Administrator
Report to:	Applications Development Manager
Responsibilities	• Administer all DMAS Oracle databases in regard to database installation, creation, security, space management and patch management; • Recover database objects as required; • Enforce development and design standards for new system objects; • Oversee new application implementation; • Design and maintain backup/recovery plan; • Debug complex system issues; • Recommend technology alternatives to management; and • Monitor system performance and take corrective action as appropriate
Knowledge, Skills, Abilities, and Experience:	• Three or more years database administration experience on a relational database, Oracle preferred; • Demonstrated experience with database security, backup/recovery, system patching, database upgrades, and migration required; and • Experience in Medicaid programs a plus.
Education	• Four-year degree in Information Systems or Computer Science, or equivalent combination of education and experience.

Table 4.2.5.1.3.3

Title:	Oracle Financials Developer
Report to:	Applications Development Manager
Responsibilities	• Master and maintain the Oracle Public Sector Financials application in accordance with Oracle E-Business Suite standards; • Assist DBA with patch management and testing; • Assist user with Oracle Financial system navigation and use, debug malfunctioning package functionality; • Work with Oracle support to resolve issues; • Performs requirements analysis and design of proposed business solutions as requested by Fiscal clients; • Codes and test Oracle application using database, client server and web technology; • Writes documentation and user guides as required; • Debug problem programs and perform maintenance on existing applications; and • Assist DBA with data loads, data integrity issues and performance tuning.
Knowledge, Skills, Abilities, and Experience:	• Three or more years experience administering Oracle Government Financials; • Three or more years experience in relational database development, Oracle preferred; and • Experience in Medicaid programs and knowledge of Governmental Accounting a plus.
Education	• Four-year degree in Information Systems or Computer Science, or equivalent combination of education and experience.

Table 4.2.5.1.3.4

Title:	Oracle Developer
Report to:	Applications Development Manager
Responsibilities	• Performs requirements analysis and design of proposed business solutions as requested by client; • Codes and test Oracle application using database, client server and web technology; • Writes documentation and user guides as required; • Debug problem programs and perform maintenance on existing applications; and • Assist DBA with data loads, data integrity issues and performance tuning.
Knowledge, Skills, Abilities, and Experience:	• Three or more years experience in relational database development; • Demonstrated experience in table design, system tuning, and implementation; • Three or more years experience developing or maintaining financial systems; • Oracle database and Oracle Public Sector Financials a plus; and • Experience in Medicaid programs a plus.
Education	• Four-year degree in Information Systems or Computer Science, or equivalent combination of education and experience.

Table 4.2.5.1.3.5

Title:	SAS Developer
Report to:	Applications Development Manager
Responsibilities	• Writes ad hoc SAS reports as requested by ISR; • Updates SAS database on a weekly basis; • Analyzes complex situations regarding data stores and data integrity; • Assist DMA users with SAS programs; and • Makes presentations, conducts informal DMAS user training.
Knowledge, Skills, Abilities, and Experience:	• Three or more years of SAS coding; • Experience analyzing large databases, preferably using medical claims data, is required; and • Experience in Medicaid programs a plus.
Education	• Four-year degree in Information Systems or Computer Science, or equivalent combination of education and experience.

Table 4.2.5.1.3.6

Title:	Access Developer
Report to:	Applications Development Manager
Responsibilities	• Assists DMAS users with Access development issues; • Develops Access applications per ISR requests; • Identifies situation where an Access ISR request would be more appropriately developed in Oracle; • Fills in as WEB Master backup for DMAS; and • Converts Access requests to Oracle.
Knowledge, Skills, Abilities, and Experience:	• Three or more years experience in MS Access development and other MS desktop tools; and • One or more years of web development experience preferred.
Education	• Two-year degree in Information Systems or Computer Science, or equivalent combination of education and experience.

Table 4.2.5.1.3.7

Title:	Security Technician
Report to:	Applications Development Manager
Responsibilities	• Processes security applications for access to all DMAS system (VAMMIS, LAN, IRP Database applications, etc.); • Resets passwords; • Files paperwork in compliance with audit requirements; and • Brings to supervisor's attention to requests for new application, unusual access or administrative rights.
Knowledge, Skills, Abilities, and Experience:	• Two or more years experience processing security or other service requests following established procedures; and • Organizational and filing skills required.
Education	• High school education.

Table 4.2.5.1.3.8

Title:	Technical Writer
Report to:	Applications Development Manager
Responsibilities	• Prepare and maintain user and systems documentation.
Knowledge, Skills, Abilities, and Experience:	• Two or more years experience preparing systems documentation and users' guides.
Education	• Four-year degree or equivalent combination of education and experience.

DMAS will determine the number and mix of the DMAS Technology Applications Group staff based on the Offeror's cost proposal for this staff. Refer to Section 4.1.2.19 DMAS Technology Applications for details regarding the support to be provided.

4.2.5.2 Staffing for Business Operations Group

Offerors must propose business operations staff for the Business Operations Support services contained in Section 4.1.1 Business Operations Support. Staffing proposals must also include DMAS Medicaid web portal help desk support for the Automated Response System, MediCall, and EDI applications contained in Section 4.1.2 Applications Support. If the Offeror is submitting proposals for Provider Enrollment Services and/or Drug Rebate Services, staffing for those contracts should be proposed in the Offeror's optional response to those sections of the RFP.

Offerors must submit a staffing plan designed to ensure that all requirements in the Scope of Work are met according to the Service Level Agreements outlined in Appendix E.II. The proposed staffing plan will be implemented on July 1, 2010 and continue for the term of the contract. Offerors must also submit an organizational chart that depicts the organization of staffing for the Business Operations Support Group.

4.2.5.3 Staffing for Quality Assurance

DMAS considers quality assurance key to the success of its program. Quality assurance results in improved customer service, reduced costs, and greater efficiencies. Therefore, Offerors are required to propose quality assurance staff for two major areas: (1) Software Quality Assurance, and (2) Business Operations Quality Assurance. Proposed staffing must be provided for both the Takeover and Operations Phases of the contract.

Offerors are required to provide an overview of their quality assurance approaches and staffing to support these activities. Respond separately to the two areas. Staffing for the Business Operations Quality Assurance group must include a sufficient number of business analysts to support the Software Quality Assurance team and act as liaisons between systems development and business operations staff. The business analysts will also work with DMAS subject matter experts in the development and review of business requirements to support system modifications.

4.2.6 TRAINING AND STAFF DEVELOPMENT

DMAS provides training for its providers and its system users; however, from time to time, DMAS may require assistance in these areas. In addition, DMAS has a stake in any of the Contractor's human resource policies that increase employee satisfaction and reduce staff turnover, including staff development opportunities.

4.2.6.1 Training

DMAS may require assistance in training providers and system users during both the Takeover and Operations phases of the contract. Services required may include the following:

- Provider and/or user training in the system enhancements outlined in this RFP (See Section 4.1.7 Enhancements);
- Provider and/or user train-the-trainer sessions;
- Development of training plans or materials; and
- Use of Contractor training facilities or tools.

Offerors are requested to provide a summary and costs for provision of training personnel, including the types of resources available and their training facilities and tools.

4.2.6.2 Staff Development

DMAS wants to ensure that the Offeror has a policy that supports staff development. Staff development opportunities are important for all types of staff outlined in this section. Offerors are required to provide an overview of their company staff development programs and opportunities.

4.2.7 CONTRACT STAFFING AND LOCATION

The Fiscal Agent Services Contract requires that the Contractor perform all services, except those that are subcontracted with DMAS approval, within fifteen (15) miles of the DMAS offices at 600 E. Broad Street, Richmond, Virginia, as determined by the most direct automobile route, for the duration of the contract.

The Contractor must provide at no expense to DMAS, three (3) enclosed office spaces with doors for the DMAS contract monitor and other DMAS staff to perform onsite monitoring of the Contractor's adherence to Service Level Agreements and other business functions. The Contractor shall furnish each office and cubicle with office equipment to include a personal computer connected to the Internet for email access *via* the web. The contract also requires the Contractor to provide three (3) assigned parking spaces for DMAS use.

Table 4.2.7: Location Requirements

Area	Square Feet
Furnished office space for onsite DMAS employees	524 plus file storage, supplies, etc.
Three (3) 10' x 10' secure offices and one (1) -available 14' x 16' secure meeting room	

All project work by the Contractor will be performed at the Contractor site, except for meetings at DMAS or other agency offices, unless otherwise provided in this RFP. During normal business hours, the Contractor shall provide access to all Richmond, Virginia-area MMIS facilities to each DMAS employee or consultant designated by the DMAS Contract Manager. At other times, the Contractor shall provide access to all Richmond, Virginia-area MMIS facilities to each DMAS employee or consultant designated by the DMAS Contract Manager, with DMAS notice. DMAS and the Contractor will establish appropriate protocols to ensure that physical property/facility security and data confidentiality safeguards are maintained.

The operational data center of the Contractor can be located anywhere within the contiguous forty-eight (48) states, as long as the Service Level Agreements specified within the RFP can be satisfied.

4.3 PAYMENTS TO CONTRACTOR

The Contractor will be paid for the Fiscal Agent Services it provides to DMAS through a variety of payment methodologies. The sections below describe these methodologies for both the Takeover and Operations Phases of the contract. There will be no separate payment for the Turnover Phase.

4.3.1 PAYMENT FOR THE TAKEOVER PHASE

All payments for the Takeover Phase will be based on Contractor completion, and DMAS approval, of project deliverables and milestones (refer to Section 4.1.8 Takeover and Turnover). Offerors should include all costs for the Takeover Phase in their Takeover fees, which must be fully itemized to disclose each cost component of those fees.

The total cost for Takeover activities will be apportioned to the required deliverables and project milestones. The percent of the Takeover fee apportioned to each deliverable and milestone will be mutually agreed upon between DMAS and the Contractor during contract negotiations. The Contractor will invoice DMAS at the point it receives written approval of each deliverable from DMAS or DMAS' written acknowledgment that a milestone has been successfully achieved. DMAS will pay the Contractor within thirty (30) days after receipt of the Contractor's invoices.

4.3.2 PAYMENT FOR THE OPERATIONS PHASE

DMAS will use the following payment methodologies to reimburse the Contractor for costs associated with the Operations Phase:

- Claims billing units;
- Labor rates; and
- Direct costs.

Details for each methodology are outlined below. In addition to these methodologies, any payment is subject to an automatic adjustment based on performance related to Service Level Agreements, as discussed in Section 4.3.3.

4.3.2.1 Claims Billing Units

DMAS will pay the Contractor for all Fiscal Agent Services not covered below (4.3.2.2, 4.3.2.3, and 4.3.2.4) that are performed in accordance with the Scope of Work and the requirements defined in Appendix E.I using rates established for Claims Billing Units (CBU). Payment for all costs associated with all applicable Fiscal Agent Services must be included in the fixed price for each CBU type proposed by the Contractor, whether provided by the fiscal agent or its subcontractor(s).

DMAS will pay the Contractor monthly in arrears using the CBU methodology. The amount of the payment due each month will be computed using the volume of each claims billing unit multiplied by the applicable CBU rate in effect. The CBU rates established for the first year of operations under the resulting contract (that is, the baseline) will be increased or decreased effective July 1st of each year of operations thereafter by the increase or decrease of the All Urban Consumers category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

A CBU defines a unit to be paid for processing a specific type of payment request or other unit of work. DMAS has identified several CBU types, listed below. Payment will be based on the number of units processed for each CBU type.

- Paper claims (includes paper assessment forms);
- Electronic claims (includes EDI and web-based claims);
- POS claims;
- Encounters; and
- System-generated claims (includes web-based assessment forms).

The number of units billed specifically includes the following:

- A claim that has been fully adjudicated such that the adjudication results in payment or denial of the request, including a previously denied claim that is resubmitted by the provider if it is fully adjudicated; and
- An encounter that has been fully processed, that is, an encounter status has been assigned through adjudication.

The number of units billed should not include:

- Pended claims;
- Any adjustments, voids, or reversals of adjudicated requests for payments, including claims and encounters, either generated by the MMIS or submitted by a provider; and
- System-generated claims based on reprocessing, recycling, or adjusting payment requests, regardless of the reason.

The Offeror also may provide alternate CBU rates that are associated with changes in volumes for any of the CBU types. The Offeror can specify up to three (3) CBU rates for each CBU type: (1) The proposed CBU rate that is based on an anticipated volume range; (2) An alternate CBU rate that applies if the volume for a given CBU type does not meet the low end of the anticipated volume range; and (3) An alternate CBU rate that applies if the volume for a given CBU type exceeds the high end of the anticipated volume range. If the Offeror chooses to identify alternate CBU rates, it must specify its anticipated volume range. A given alternate CBU rate will be applied in a state fiscal year based on the volume from the previous fiscal year.

DMAS reserves the option to renegotiate any of the CBU rates for any of the option years in the event that circumstances that were used in establishing the original rates significantly change.

For the purpose of CBU volume accounting, the Contractor must use the following definitions as the basis for counting the CBU. No transaction will be counted as a CBU that does not meet the specific criteria stated in the table below. The current payment request, assessment, and EDI forms and transactions are shown below, however DMAS reserves the right to change the types of forms or transactions used during the term of the contract.

Table 4.3.2.1: CBU

Forms & Transactions	Definition of One (1) CBU
UB-04 or 837I	One paper document or one electronic record regardless of the number of revenue codes or lines. Virginia accepts interim hospital bills for either inpatient stays over 120-days or for certain facilities when the dates of service cannot cross over from one month to another.
CMS-1500, Dental forms approved by DMAS, 837P, or 837D	One detail line item of a multiline paper document for a single recipient, or one electronic service line; every procedure code results in a CBU.
DMAS-173 R 6/03 or NCPDP Batch 1.1, or NCPDP 5.1	One detail line item of a multiline paper document, or equivalent NCPDP batch record, or equivalent POS transaction; every NDC results in a CBU.
DMAS-174 R 6/03 or NCPDP Batch 1.1, or NCPDP 5.1	One paper document, one NCPDP batch record, or one equivalent POS transaction, regardless of the number of NDCs or lines.
DMAS-30 (Medicare claim)	One detail line item of a multiline paper document; every procedure code results in a CBU.
MMIS-generated capitation, case management, CMM, and other fees	One payment; every enrollee results in a CBU.
Assessment Forms (paper and web-based)	One document, including attachments, regardless of the number of lines on the form that results in a claim.

4.3.2.2 Labor Rates

Payment for the MMIS Systems Development Group and the Software Quality Assurance Group will be calculated based on the number of staff in each position multiplied by the hourly rate for the position. Payment will be made only for hours worked on DMAS-approved projects and will be limited to a 40-hour workweek unless previously approved by DMAS in writing. Hourly rates for all staff should be fully burdened and cover benefits (including all types of authorized time away from work, such as sick time, vacation, training, etc.), overhead, profit, and any other Contractor costs associated with these resources other than the agreed-upon hourly rates. Offerors will be required to itemize the cost components included in hourly rates in their cost proposals.

DMAS will pay the Contractor monthly in arrears for the MMIS Systems Development Group and Software Quality Assurance Group. The Contractor will submit monthly invoices with supporting documentation for the actual reimbursable hours expended each month by Systems Development Group and Software Quality Assurance Group staff. No markup may be applied. The labor rates established for the first year of operations under the resulting contract (that is, the baseline) will be increased or decreased effective July 1st of each year of operations thereafter by the

increase or decrease of the All Urban Consumers category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

4.3.2.3 Direct Costs

DMAS will pay the Contractor for all direct (pass-through) costs incurred for postage charges from the United States Postal Service (USPS) for all mailings to providers and enrollees, to the extent that DMAS determines that the Contractor has acted in a manner that resulted in the lowest possible postage rate for each mailing. If DMAS determines that the mailing charges are excessive as a result of actions taken or not taken by the Contractor (for example, failure to use the nine-digit zip code or presort and label the mail), the direct costs will be defined as the charges that would have resulted if the Contractor had acted in a manner that resulted in the lowest possible charges.

The Contractor will submit monthly invoices with supporting documentation for the actual costs incurred each month for postage. No markup may be applied.

4.3.3 SERVICE LEVEL AGREEMENTS

The contract between DMAS and the fiscal agent will contain a number of performance-related SLAs. The SLAs that DMAS has designated represent services that are especially critical to the success of the COV's Medicaid program. Based on their severity, the Contractor's failure to meet SLAs may result in a payment credit to DMAS.

The FA must monitor all SLAs through the Software Quality Assurance and Business Operations Quality Assurance plans. During the Takeover Phase, the Contractor will be required to develop Quality Assurance Plans (see Section 4.1.8 Takeover and Turnover). DMAS may provide additional input to these plans regarding SLAs that should be included and monitored by the Contractor throughout the Operations Phase of the contract. The Contractor will be required to report on its performance relative to the Quality Assurance Plans and perform Root Cause Analysis when SLAs are not being met. This will be a dynamic process throughout the term of the contract, and the SLAs will be subject to change, including the allocation percentage, to support DMAS' ongoing program and business requirements.

4.3.3.1 Service Level Methodology

This section describes the Service Level Methodology in general. Specific details regarding the Service Level Methodology can be found in Appendix A.II: Service Level Methodology. Offerors should review the Service Level Methodology of the Standard Agreement carefully.

The SLAs are detailed in Appendix E.II. The Contractor will monitor its performance against these SLAs. If performance falls below the SLA (resulting in a Service Level Failure), the Contractor may owe DMAS a Performance Credit. Performance Credits automatically reduce the payment to the Contractor. The severity or impact of each SLA is defined as an allocation percentage that will be applied to a designated 'at risk' pool of funds. The percentage will range from 0 to 25 percent for a given SLA. The Performance Credit can increase for instances of consecutive Service Level Failures. The Contractor will also have the ability to earn credits (Earn Back Credits) for continuous improved performance following Service Level Failures. The details on the Performance Credits, successive Service Level Failures, and Earn Back Credits can be found in Appendix A.II.

4.3.3.2 Service Level Agreement Monitoring and Reporting

The Contractor will be required to implement measurement and monitoring tools and produce metrics and reports necessary to measure its performance against the Service Level Agreements. The Contractor must develop the tools, metrics, and reports during the Takeover Phase of the contract. All tools, metrics, and reports must be approved by DMAS and be in place to begin monitoring the Contractor's performance on July 1, 2010.

All metrics and reports are subject to audit by DMAS or its designee(s). Upon request, the Contractor, at no additional cost to DMAS, must provide DMAS or its designee(s) with information and access to tools and procedures used to produce such metrics and reports.

The Contractor must report its performance against the SLAs monthly. The reports must be provided no later than seven (7) business days after the end of the preceding month. As part of the monthly report, the Contractor must notify DMAS of any Service Level Failures.

4.3.3.3 Correction of Service Level Failures

The Contractor must promptly investigate and correct Service Level Failures using an acceptable Root Cause Analysis methodology. The results of the investigation should be documented in a Root Cause Analysis report, which the Contractor must provide to DMAS for each Service Level Failure. Details regarding the Root Cause analysis methodology to be used and the resulting deliverables will be jointly agreed to by DMAS and the Contractor during the Takeover Phase.

4.4 COST PROPOSAL

This section provides the instructions for the Cost Proposal preparation. Refer to Section 3, Virginia Medicaid Enterprise Architecture; Section 4.1, Scope of Work; Section 4.2, Contract Staffing Requirements; and Section 4.3, Payments to Contractor.

4.4.1 OVERVIEW

The Contract Term is defined by a Takeover Phase from contract signing date through June 30, 2010 and an Operations Phase that begins on July 1, 2010 and ends June 30, 2014. DMAS, in its sole discretion, may extend this Contract with up to four (4) one-year option periods that would run from July 1 through June 30 for each period. The prices included in the Cost Proposal will become the sole basis for Contractor reimbursement, except for authorized direct cost items identified in Section 4.3 Payments to Contractor. The prices included in the Cost Proposal become the basis for the award of points in the evaluation.

Sections 4.4.2, 4.4.3, and 4.4.4 provide instructions for completing required schedules. Section 4.4.5 contains a recommended completion order.

4.4.2 TOTAL PRICE INSTRUCTIONS

Schedule A-1 is the MMIS Core Technology single total price hosting form that contains a rollup of total amounts from the appropriate detail schedules. It is the Offeror's responsibility to ensure the total amounts on Schedule A-1 matches the total amounts on the appropriate detail schedules described below.

Schedule A-2 is the table for use of the Contractor's training facilities, and Schedule A-3 is the table for additional Pharmacy Help Desk support as DMAS operational needs dictate.

4.4.3 TAKEOVER PHASE PRICE INSTRUCTIONS

The Schedules used in this section are as follows: Schedule B-1 Takeover Phase Price for MMIS Core Technology hosting, and Schedule B-2 Disaster Recovery and Data Point Objectives Option Packaging.

DMAS desires to improve preparedness for disasters and continuity of MMIS operations. Schedule B-2 contains, by technology area, recovery time objectives (RTO) and recovery point objectives (RPO) for the MMIS application components. The various applications are grouped into one baseline package with three option packages. The baseline option is reflected on Schedule A-1, total price. DMAS reserves the right to select one of the other option packages as an upgrade to the baseline package.

For each item on Schedule B-1 containing technical infrastructure, the Contractor must supply an accompanying network topology diagram and supporting tables, similar in organization to Section 3, Virginia Medicaid Enterprise Architecture that contains the following information as a minimum:

- Platform make/model and configuration (for example: Random Access Memory (RAM), Central Processing Unit (CPU), disk, and tape storage, operating system, and versions, logical partition (LPAR) configuration, software packages and versions as well as what MMIS applications will reside on it);
- Telecommunications: Circuits, types, protocols, and bandwidth;
- Technical infrastructure (for example: Wide Area Network, Local Area Network (WAN/LAN), protocols, secure FTP capabilities, secured Email capabilities, technical environments);
- Identification on each item if it is a one-time cost (upgrades/new); and
- Identification if the component is for COV exclusive use or if it is shared. If shared, the approximate percentage allocated to COV.

The Takeover Phase deliverables must reflect all of the components, labor, and overhead required to support the proposed infrastructure. The infrastructure price must include all production support, facilities, technical, security, and other infrastructure support required for the operation of the Virginia Medicaid Enterprise.

The Offeror is responsible for ensuring that the rollup price in Schedule A-1 matches the amounts on Schedule B-1.

4.4.4 OPERATIONS PHASE PRICE INSTRUCTIONS

The Schedules used in this section are: Schedule C-1 Price for Operations Phase for MMIS Core Technology Hosting; Schedule D-1 Price for CBU Rates for MMIS Core Technology Hosting, Schedule E-1 MMIS Systems Development Group Price; Schedule E-2 Production Support Group Price; Schedule E-3 DMAS Technology Applications Group Price, Schedule E-4 Business Operations Group Price; Schedule E-5 Software Quality Assurance Group Price, Schedule E-6 Business Operations Quality Assurance Group Price, and Schedule E-7 Training Staff Price.

Schedules E-1 through E-7 contains columns for permanent and/or temporary staff rates. The Temporary rates are used, with prior written DMAS approval, when staff augmentations are required to support a temporary need/spike in workload.

Claims Billing Units
Schedule D-1 contains a base rate per CBU as well as low and high-volume thresholds that should be expressed in millions. The Low Volume Rate per CBU is applicable if the actual volume is below the low-volume threshold number. The High Volume Rate per CBU is applicable if the actual volume is above the high-volume threshold number. The Base Rate per CBU is applicable between the low and high volume thresholds.

Labor Rates
Completion of Schedules E-1 through E-7 is required. The following additional pricing information is applicable to these Schedules:

- Schedule E-3 DMAS Technology Applications Group Price, DMAS reserves the right to adjust staffing as business needs dictate using the proposed rates. For pricing purposes, use the following staffing as defined in Section 4.2 Contract Staffing Requirements: (1) Applications Development Manager, (1) Oracle Database Administrator, (1) Oracle Financials Developer, (3) Oracle Developer, (3) SAS Developer, (1) Access Developer, (1) Security Technician, and (1) Technical Writer;
- Schedule E-4, Business Operations Group Price, and Schedule E-6, Business Operations Quality Assurance Group Price, are specific for inclusion into CBU labor;
- Schedule E-4, Business Operations Group Price, should include all proposed roles from clerical through non-key staff management; and
- Schedule E-7 Training Staff Price is for access to Contractor's training staff as DMAS operational needs dictate.

Pricing Calculations
Schedule C-1 is the price for Operations Phase for MMIS Core Technology Hosting. For Group I Base Fixed Price, the appropriate Schedule D-1 base rates per CBU must be added to appropriate Schedule C Group I section. To calculate CBU prices, the rate is multiplied by the volume. For calculating pricing for groups II, III, IV, and V the applicable Schedule E tables are used. The pricing applies the proposed Schedule E permanent hourly rates and staffing levels to calculate an annual labor cost.

4.4.5 RECOMMENDED COMPLETION ORDER

The following is a suggested completion order.

Step	Description
1.	Complete Schedules E-1 though E-7.
2.	Complete Schedule D-1.
3.	Complete Schedule C-1.
4.	Complete Schedule B-1.
5.	Complete Schedules A-1 through A-3.

4.4.6 SCHEDULES

4.4.6.1 Total Price Schedule

Schedule A-1: Total Price for MMIS Core Technology Hosting

Item	Price
Takeover phase total price without optional enhancements (Schedule B-1; B1-T1 total)	$
Operations Phase Price (Schedule C-1; C1-T1 total)	$

Schedule A-2: Purchase of Training Services

Item	Rate per session
Facility	$
Training Tools (for example WebEx)	$

Schedule A-3: Purchase of Additional Pharmacy Help Desk Services

Item	Rate per call
Non-Clinical	$
Clinical	$

4.4.6.2 Takeover Phase Price Schedules

Schedule B-1: Takeover Phase Price for MMIS Core Technology Hosting

Group	Item	Price
I	**Takeover Phase Cost**	
	A. Staffing	$
	B. Facilities	$
	C. Hardware	$
	D. Software (including maintenance)	$
	E. Other	$
	F. Mandatory Enhancements to MMIS: MMIS Screens	$
	G. Mandatory Enhancements to MMIS: Medicaid Web Portal	$
II	**Optional Enhancements to MMIS (add more rows as necessary)**	
	A. Executive Support System	$
	B. Offeror suggested enhancement #1	$
	C. Offeror suggested enhancement #2	$
III	**Disaster Recovery and Data Point Objectives**	
	A. Option Package A	$
	B. Option Package B	$
	C. Option Package C	$
	D. Baseline Package	$
IV	**MMIS Documentation Updates**	
	A. Detailed Systems Design Document	$
	B. Operational Procedures Manuals	$
	C. User Guide Documents	$
	D. EDI Companion Guides	$
V	**Other Costs (itemize: add more rows as necessary)**	
	A.	$
	B.	$
	C.	$
B1-T1	SCHEDULE B-1 TOTAL PRICE WITHOUT OPTIONAL ENHANCEMNTS Group (I + III (baseline package) + IV + V)	$

Notes:

Note 1: Section I must include all costs related to the MMIS Core Technology as well as all costs related to Mandatory Enhancements for the MMIS.

Note 2: Section I must include costs related to FA Technology (for example, data center facilities, platforms, technical environment, and technical infrastructure) as well as all associated labor and computer expenses for the entire takeover phase.

Note 3: All costs must be fully itemized in supporting spreadsheet(s), mathematically correct, and transcribed correctly on this form.

Note 4: Optional Enhancements to MMIS and Disaster Recovery Option Packages are not to be included in B1-T1 total.

Schedule B-2: Disaster Recovery and Data Point Objectives Option Packaging

Area	Platform	Recovery Time Objective (RTO)	Recovery Point Objective (RPO)	Option Packaging
MMIS Core Technology	IBM Mainframe -MMIS front-end subsystems (Reference, Provider, Recipient) and adjudication subsystems (Claims, Pharmacy, and Financial). Both online and batch processing. Real time systems interfaces are operational.	Less than 8 hours	Data less than 4 hours old.	DR Package A Price
		24 hours	Data less than 8 hours old.	DR Package B Price
		72 hours	Data less than 1 day old.	DR Package C Price
		5 Days	Data less than 3 days old.	Include in baseline pricing
	IBM Mainframe - MMIS backend subsystems (MARS, SURS, EPSDT, and all external interfaces).	72 hours	Data less than 1 day old.	DR Package A Price
		5 Days	Data updated from source subsystems as necessary.	Include in baseline pricing
	Enterprise Document Management System	5 Days	Data less than 3 days old.	DR Package A,B Price
		7 days	Data less than 5 days old.	Include in baseline pricing
	Medicaid Web Portal	Less than 8 hours	User access reestablished.	DR Package A Price
		24 hours or less	User access reestablished.	DR Package B Price
		72 hours	User access reestablished.	DR Package C Price
		5 Days	User access reestablished.	Include in baseline pricing
Fiscal Agent Technology supporting Virginia account	EDI Services (EDI server and telecommunications)	Less than 8 hours	Service available to trading partners.	DR Package A Price
		24 hours	Service available to trading partners.	DR Package B Price
		72 hours	Service available to trading partners.	DR Package C Price
		5 Days	Service available to trading partners.	Include in baseline pricing
	SAS Servers	72 hours	User access reestablished Data less than 5 days old.	DR Package A Price
		5 days	User access reestablished Data less than 5 days old.	Include in baseline pricing
	CITRIX Servers	72 hours	User access reestablished	DR Package A,B Price
		5 days	User access reestablished	Include in baseline pricing
	Remedy Servers	72 hours	User access reestablished Data less than 3 days old.	DR Package A Price
		5 days	User access reestablished Data less than 5 days old.	Include in baseline pricing

4.4.6.3 Total Price Schedule Operations Phase Price Schedules

Schedule C-1: Price for Operations Phase for MMIS Core Technology Hosting

Group	Item	Schedule D-1 Base Rate per CBU	Volumes[1]	Annual Price
I	BASE FIXED PRICE			
	Paper Claims	$	4,223,981	$
	Electronic Claims	$	12,826,423	$
	POS Claims	$	8,039,708	$
	Encounters	$	16,475,624	$
	System Generated Claims	$	6,082,181	$
II	Staffing for MMIS Systems Development Group			$
III	Staffing for Production Support Group			$
IV	Staffing for DMAS Technology Group			$
V	Staffing for Software Quality Assurance Group			$
C1-T1	SCHEDULE C-1 TOTAL PRICE Group (I +II + III + IV+V)			$

Note: Volumes based on State Fiscal Year 2007 statistics

Schedule D-1: Price for CBU Rates for MMIS Core Technology Hosting

CBU Type	Base Rate per CBU	Low Volume Threshold (millions)	Low Volume Rate per CBU	High Volume Threshold (millions)	High Volume Rate per CBU
Paper Claims	$		$		$
Electronic Claims	$		$		$
POS Claims	$		$		$
Encounters	$		$		$
System Generated Claims	$		$		$

Schedule E-1: MMIS Systems Development Group Price

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level

Note: Key staff roles defined in Section 4.2, Contract Staffing Requirements, should not be included in this table.

Schedule E-2: Production Support Group Price

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level

Note: Key staff roles defined in Section 4.2, Contract Staffing Requirements, should not be included in this table.

Schedule E-3: DMAS Technology Applications Group Price

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level

Note: DMAS reserves the right to adjust staffing as business needs dictate using the proposed rates. For pricing purposes, use the following staffing as defined in Section 4.2 Contract Staffing Requirements: (1) Applications Development Manager, (1) Oracle Database Administrator, (1) Oracle Financials Developer, (3) Oracle Developer, (3) SAS developer, (1) Access Developer, (1) Security Technician, and (1) Technical Writer.

Schedule E-4: Business Operations Group Price

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level

Note: Key staff roles defined in Section 4.2, Contract Staffing Requirements, should not be included in this table.

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Schedule E-5: Software Quality Assurance Group Price

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level

Note: Key staff roles defined in Section 4.2, Contract Staffing Requirements, should not be included in this table.

Schedule E-6: Business Operations Quality Assurance Group Price

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level

Note: Key staff roles defined in Section 4.2, Contract Staffing Requirements, should not be included in this table.

Schedule E-7: Training Staff Price

Role Title	Temporary Staff Price Per Hour

5. PROVIDER ENROLLMENT SERVICES

DMAS is the single state agency responsible for administering the Medicaid program and other state and federal health insurance programs. For the purposes of this RFP, the term "Medicaid" refers to all federal and state programs DMAS administers.

DMAS is responsible for ensuring enrollment of providers in accordance with federal and state regulations and maintenance of provider enrollment information about all participating providers. DMAS staff members establish and maintain records of administrative providers—providers enrolled to allow processing encounter claims or to allow access to functions such as voice and telephone-response applications. In support of the accurate and comprehensive capture of data for the MMIS, the Provider Enrollment Services Contractor will establish and maintain all provider demographic and eligibility information for other (non-administrative) providers—currently approximately 59,000 actively enrolled providers.

Currently, First Health Services Corporation (FHSC), which is also the DMAS MMIS Fiscal Agent, performs the provider enrollment processes for DMAS, which include enrollment of providers, maintenance of the provider files, storage of provider enrollment files, and other various administrative functions to support provider enrollment.

The PES Contractor will perform all provider enrollment functions for current and prospective providers, provide customer service, maintain provider enrollment files, electronically store and profile all provider enrollment paper documents received, and provide management reports to DMAS. The Contractor will enter data directly into the MMIS to accomplish the functions listed above.

On May 23, 2008, DMAS implemented the National Provider Identifier (NPI) as the standard identifier for all healthcare providers as defined by the Health Insurance Portability and Accountability Act, which requires covered healthcare providers to obtain and use an NPI in lieu of any other provider identification number(s) for standard transactions. DMAS also uses NPIs for paper claims from healthcare providers. Non-healthcare providers and healthcare providers enrolled only with MCOs and submitting only paper claims receive 10-digit Atypical Provider Identifiers (APIs).

5.1 SCOPE OF WORK

5.1.1 BUSINESS OPERATIONS SUPPORT

The Contractor will perform data maintenance functions and provide customer service to existing and prospective providers. The Contractor will receive and process all provider enrollment applications from new and existing providers, determine provider eligibility using DMAS-approved procedures, approve or deny applications, provide written notice of determination, and electronically file incoming and outgoing provider documentation.

The Contractor will enter and maintain provider data needed to enroll, re-enroll, update, change and maintain the Medicaid provider database contained within the MMIS, and its 4.5 million electronic provider documents. Requirements for these responsibilities are in Appendix F.I, and Service Level Agreements for them are in Appendix F.II.

The core operational PES functions include the following:

5.1.1.1 Enroll Providers

The Contractor will establish a Provider Enrollment Services function to receive requests by prospective and current providers for DMAS enrollment. The Contractor will review and validate the information contained within the provider applications and then enroll qualified applicants in the MMIS.

5.1.1.2 Renew and Terminate Providers

The Contractor will renew provider participation upon timely receipt of the provider's license and certification. The Contractor will terminate provider participation at the provider's request in response to notification from the appropriate sanctioning or licensing authority, or upon DMAS' request.

5.1.1.3 Medicaid Provider Database and Application Tracking Files

The Contractor will maintain all provider data contained within the Provider Subsystem and update all files and databases supporting this function including enrollment, assignments, specialty, demographic, electronic funds transfer participation, and other data as needed. The Contractor will scan, image, and profile all provider documentation.

5.1.1.4 Provider Reimbursement Rates

The Contractor will enter rate data from the DMAS Division of Provider Reimbursement or its designated contractor for each provider rate and fiscal year-end change. The Contractor will review the rate data to ensure there is sufficient information to continue the initial entry process for rate data. Should the rate data be insufficient to continue enrollment, Contractor staff will contact DMAS to explain why the rate data are deficient and follow through to achieve resolution.

5.1.1.5 MEDALLION Provider Enrollment

The Contractor will process MEDALLION PCP enrollment and maintenance requests. The Contractor will maintain and provide to DMAS a list of MEDALLION enrollment activities.

5.1.1.6 Annual Form 1099

The Contractor will resolve annual Internal Revenue Service (IRS) Form-1099 discrepancies with providers. The Contractor will perform ongoing file maintenance efforts to ensure data integrity and contact Medicaid providers in writing to confirm tax identification numbers and IRS names associated with them.

5.1.1.7 Mailroom and Courier Services

The Contractor will process returned provider mail to ensure the provider-address data meet all United States Postal Service postal standards. Upon receipt of returned provider mail, the Contractor will research the reason for return and/or undeliverable mail and correspond with the provider to correct the address on file to prevent the recurrence of returned mail. Similarly, as described in Section 4.1.1.2.1 of this RFP, the PES Contractor receives a returned-check log from the FAS Contractor, where the FAS Contractor has been unable to solve and correct an address problem. The PES Contractor will research the reason for return and/or undeliverable check and correspond with the provider to correct the address on file to prevent the recurrence of returned check.

The Contractor will provide a courier service that picks up and delivers correspondence between DMAS and the Offeror's site location and between the FAS site location and the Offeror's site location. The courier will sometimes carry heavy boxes of documents and/or supplies from one location to another.

5.1.1.8 Telephone Call Center

The Contractor will establish and maintain a toll-free Provider Enrollment Telephone Call Center in support of Provider Enrollment functions. Through the Call Center, the Contractor will provide professional, prompt, and courteous service and process all incoming telephone inquiries for provider enrollment and maintenance functions.

5.1.1.9 Management Reports

The Contractor will provide DMAS a weekly narrative report of those matters that come to the Contractor's attention in the performance of provider enrollment—including comments on policy, procedures, production volume, and any other matters—that would reflect on the proper management of the provider enrollment process. The Contractor will ensure key staff members are available for weekly face-to-face status meetings with DMAS.

5.1.1.10 Complaint Tracking System

The Contractor will receive and respond to all oral and written complaints about provider enrollment and maintenance functions under this contract from providers, DMAS, or other sources. The Contractor will establish and maintain standardized written procedures for handling all complaints.

5.1.1.11 Provider Enrollment Procedures Manual(s)

The Contractor will develop and maintain operations procedures manual(s) detailing all procedures by provider type and function for enrolling, renewing enrollment, and maintaining the provider database and other files referenced in this RFP. After obtaining DMAS approval of the operations procedures manual(s), the Contractor will use it to train staff to be ready to enroll providers on July 1, 2010.

5.1.1.12 Quality Assurance

The Contractor will develop and submit a Quality Assurance Plan that supports all core responsibilities and Service Level Agreements, addressing matters such as data integrity, call monitoring, image accuracy, and customer-service delivery.

5.1.2 APPLICATIONS SUPPORT

The Provider database of the MMIS is the official database of record. To perform the required Provider Enrollment Services functions, the Contractor will use multiple applications including its web-based enrollment platform, its document scanning and storage application, and the MMIS Provider Subsystem. These applications must

interface with the Provider Subsystem in the MMIS and be capable of automatically populating the database of record. The Contractor will develop and implement a web-based Provider Enrollment and Maintenance application. This is new functionality for DMAS. This application must interface with the MMIS. In addition, the Contractor may use the Provider Subsystem within the MMIS to enroll providers and update their information.

5.1.2.1 Web-based Enrollment

The Contractor will provide and maintain a web-based Provider Enrollment and Maintenance application that will use or interface with the DMAS Medicaid web portal and other applications as necessary. The application will allow new and existing Medicaid provider applicants to enter their applicable provider enrollment information online. The application will also interface with other external systems to validate information entered by the provider. The web-based application will include the creation of all applicable web-based direct data-entry enrollment forms and encompass the data needs of all provider types and programs available through DMAS. The Contractor will then edit the data entered by the provider based upon enrollment criteria.

The web-based Provider Enrollment and Maintenance application will interface with the MMIS run by the FA to exchange data necessary to enroll providers as well as update their information without manually re-entering the data.

The web-based Provider Enrollment and Maintenance application must be able to notify a provider via email and/or written notice following any enrollment application determinations or demographic changes to the provider's file entered via the application.

5.1.2.2 DMAS Medicaid Web Portal

The Contractor will interface with the DMAS Medicaid web portal to enable providers to access the web-based Provider Enrollment and Maintenance application. DMAS will employ a single web portal as a point of entry for all web-based applications. DMAS will be the sole owner of the web portal, and the FA will maintain it. The web portal will feature a single login and authentication so that users do not have to log in again to enter the web-based Provider Enrollment and Maintenance application.

5.1.3 PLATFORM MANAGEMENT

This section provides information specific to platform management for Provider Enrollment Services.

5.1.3.1 Overview

The Virginia Medicaid Enterprise Architecture is composed of the following three conceptual components:

- Fiscal Agent Technology: This conceptual component contains all the commercial hardware, systems software, and telecommunications provided and operated by the Contractor at its facilities;

- MMIS Core Technology: This conceptual component contains all the commercial hardware, systems software, COTS products tightly integrated into the MMIS, and custom application software used for hosting the MMIS and its related documentation; and

- DMAS Technology: This conceptual component contains all the commercial hardware, systems software, and telecommunications software and equipment located at DMAS.

There is also PES technology: This conceptual component contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the Contractor's proposed business services staff. The Contactor's technology connects with the MMIS Core Technology as well as DMAS Technology.

5.1.3.2 Key Interfaces

The current FA Contractor houses both the FA Technology and the MMIS Core Technology; hence, access to the MMIS Core Technology is through FA Technology. In addition, all email traffic between the current FA and DMAS is routed through secure telecommunication circuits to satisfy HIPAA Protected Health Information privacy and security requirements.

The PES Contactor will establish secure and appropriately sized connectivity to the FA Contractor, as well as establish secured email connectivity to DMAS.

5.1.4 DOCUMENTATION MANAGEMENT

In support of provider enrollment, the current Provider Enrollment Services Contractor uses Hummingbird DM™, a web-enabled document management product that provides full document management functionality from a web browser, as a document-management platform and as an automated workflow tool. Various types of provider-related documents are scanned and the images are indexed and stored in Hummingbird DM™. These include provider enrollment applications, provider change requests, provider correspondence, legal, and financial documents. The Hummingbird DM™ software provides basic and advanced query capabilities that the Contractor uses to retrieve various documents and images.

The current DMAS MMIS FA, which again is also the Provider Enrollment Contractor, provides web-based access to provider enrollment procedure manuals and user guides for use by staff including enrollment staff. FA operations staff members create and maintain the user guides, while the provider enrollment staff members create and maintain the procedures manual. The PES Contractor will assume responsibility for the procedures manual that the FA will keep in its content management solution. The FA currently provides OnDemand (FirstDARS™) that staff including provider enrollment staff use to access various MMIS reports, letters, and remittance advices to support provider enrollment business processes.

As part of the new Fiscal Agent Services Contract, the multiple document management technologies currently in use will be consolidated into a single unified Enterprise Content Management (ECM) solution. The FA Contractor must construct the solution and address conversion of all current interfaces and migration of existing production documents and images to the new ECM. The PES Contractor must interface with the ECM to load imaged provider documents from its imaging solution to the ECM and retrieve these documents as well as other content stored on the ECM.

See Section 3 Virginia Medicaid Enterprise Architecture and Appendix D for additional technical details.

5.1.5 SECURITY AND RISK MANAGEMENT

This section provides information about Security and Risk Management.

5.1.5.1 Security

Throughout the term of the contract, the Contractor must remain compliant with the most stringent requirements from the following security references:

- Section 1902 (a) (7) of the Social Security Act;
- HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);

- HIPAA Privacy Rule, 45 CFR Parts 160 and 164 Standards for Privacy of Individually Identifiable Health Information; Final Rule, August 14, 2002 (or later);
- COV ITRM Policy SEC500-02 dated: July 19, 2007 (revised) (or later);
- COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later); and
- DMAS policies.

The PES Contractor will request MMIS access using a DMAS MMIS Access Request form for each staff member needing access. The Contractor will submit the completed form to the DMAS Security Engineer for processing. The DMAS Security Engineer will review and sign the form, and then submit it to the applicable Contractor for input into the security system. Once the add request has been processed, the PES user will be securely notified of the ID and password information.

Changes to PES user accounts will be submitted in the same fashion, using a DMAS MMIS Access Request form. Once the applicable Contractor has completed the change request, the DMAS Security Engineer will securely notify the PES user of the completed change.

Deletion of PES user accounts will be submitted using a DMAS MMIS Access Request form. Once the Contractor has completed the deletion request, the Contractor will notify DMAS of the completed deletion request.

5.1.5.2 Risk Management

The Offeror must remain compliant with the Risk Management requirements from the following references:

- HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);
- COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later);
- COV ITRM Guideline SEC508-00 dated April 18, 2007 (or later); and
- DMAS policies.

The Offeror is expected to implement a comprehensive Risk Management program that includes Risk Management and IT Contingency Planning deliverables under the Risk Management plan. The plan must be acceptable to DMAS and according to VITA standards. The plan must include an explanation of how risks are identified and assessed, a tracking tool, controls for measuring risks, risk mitigation and retirement strategies, and a reporting process that results in risk reporting to DMAS management on a regular basis. In addition, the Risk Management plan must include the following VITA standards:

Risk Management standard includes the following areas:

- Information Technology (IT) Security Roles and Responsibilities;

- Business Impact Analysis;
- IT System and Data Sensitivity Classification;
- Sensitive IT System Inventory and Definition;
- Risk Assessment; and
- IT Security Audits.

IT Contingency Planning standard and guidelines include the following areas:

- Continuity of Operations Planning;
- Disaster Recovery Planning; and
- IT System Backup and Restoration.

The PES Contractor is required to conduct annual DR testing with DMAS. The scope of the DR testing includes:

- Coordination of a DR test plan and schedule with DMAS staff and the entity designated by DMAS (FA host);
- Use of the PES facility office space previously designated for DMAS to accommodate a limited number of DMAS staff members (see staffing section) involved in the DR tests; and
- Support of DR tests to include PES Application Support.

The Contractor must be willing to support Recovery Time Objectives stated in the DMAS Continuity of Operations Plan (COOP) and in the following tables below. The tables for recovery time and recovery point objectives, data retention, and backup specifications. DMAS will work with the Contractor to incorporate these requirements into the procured solution in order to support DMAS' COOP.

Table 5.1.5.2.1: Recovery Time and Recovery Point Objectives

Area	**Platform**	**Recovery Time Objective (RTO)**	**Recovery Point Objective (RPO)**
Technology	Both online or batch processing. Real-time systems interfaces are operational.	5 Days	Data less than 3 days old.

Table 5.1.5.2.2: Data Retention

Item	Type	Retention period	Comment
Online files	Files	Reflected in archive rules run according to production schedules	Online files are archived to off-line storage media.
Off-line	Tape	10 Years	

Table 5.1.5.2.3: Backup

Item	Type	Retention period
Production Online databases and files	Daily incremental and weekly full backups	Backup media rotated to secure offsite storage.

5.1.6 CHANGE MANAGEMENT

Change Management is a critical part of systems and software development. COTS, proprietary solutions, proprietary solutions customized for a specific client, and custom solutions, such as the MMIS, have differing Change Management processes for addressing changes needed by their user base.

The MMIS employs a release development methodology based on a classical structured Systems Development Life Cycle (SDLC) methodology that includes a Software Quality Assurance (SQA) function. Three types of releases are used: Routine, Emergency, and Production Maintenance.

Change Management for the MMIS is accomplished under the DMAS Configuration Management Plan using Information Service Requests (ISRs) and a release development methodology. When PES staff members need, or desire, to have changes made to the MMIS, it should be discussed with the DMAS contract monitor. If the DMAS contract monitor concurs, DMAS will prepare and submit an ISR.

Change Management processes for the proposed web-based provider enrollment, as well as other PES Contractor applications used by the proposed PES staff for supporting DMAS should follow Change Management processes. The Requirements section of this RFP, Appendix F.I, provides the Offeror an opportunity to describe its approach to Change Management for its PES applications.

5.1.7 TAKEOVER AND TURNOVER

5.1.7.1 Takeover

Takeover of the Virginia MMIS provider enrollment function is a major project that falls under the oversight of the Project Management Division of the Virginia Information Technologies Agency. The project is known as the Medicaid Enterprise Re-procurement project. As such, DMAS must follow the Information Technology Investment Management (ITIM) processes established by the COV. ITIM is a set of management processes that provide for the identification, selection, control, and evaluation of business-driven IT investments for major projects and procurements. These processes ensure that the use of IT investments are tied to the Commonwealth's strategic planning process, and are used in achieving Agency goals and objectives.

DMAS will follow the Commonwealth of Virginia project management (PM) standards (ITRM-CPM-112-02). The Commonwealth will use established COV project processes and key deliverables in an oversight capacity for the re-procurement project to minimize risk and maximize return on investments. In addition, VITA requires DMAS to procure Independent Verification and Validation (IV&V) services

as a risk precaution for the project. The IV&V audit will be integrated into the project quality management.

The Contractor will align its Takeover activities with the project phases listed below. This section outlines the key deliverables required for the project life cycle. The project life cycle will be composed of the five (5) COV project-management phases and one DMAS phase:

- Project Initiation Phase (COV PM);
- Project Planning Phase (COV PM);
- Project Execution and Control Phase (COV PM);
- Project Closeout Phase (COV PM);
- Project Evaluation Phase (COV PM); and
- Operations Phase (DMAS).

The key deliverables identified in Table 5.1.7.1.5 are not meant to be exhaustive for the Takeover project. DMAS and the Contractor will establish any additional deliverables as part of a standard project management methodology. All Contractor-related deliverables will be prepared by the Contractor and approved by DMAS.

Unless otherwise agreed to, all Contractor deliverables will be an electronic copy in MS-Word and Adobe PDF (the versions agreed to by DMAS) on a CD-ROM or an electronic email attachment. Each deliverable should have a tracking and version number. DMAS will provide comments on the initial delivery no later than the 10th day after the day of the deliverable receipt date. Comments will be either in a comment tracking spreadsheet or in the MS-Word document with "Track Changes" turned on. The Contractor will provide a revised version back to DMAS no later than the 5th day after the deliverable response receipt date. Thereafter, DMAS or the Contractor will respond to comments by the 5th day after the day of the resubmission date, until DMAS accepts the deliverable.

5.1.7.1.1 Initiation and Planning Phases Deliverables

The Initiation and Planning Phases are the first phases of the Provider Enrollment Services Takeover. As such, DMAS will follow an established project management methodology that includes oversight by VITA. The emphasis is placed on communicating clear expectations between DMAS and the stakeholders, using industry proven project management practices including submission of quality deliverables, and meeting the Takeover schedule.

The Initiation and Planning Phases will include a number of key deliverables. The following is a list of the key deliverables:

- Project Proposal and Project Charter (DMAS-prepared Deliverables)
- Detailed Project Plan

5.1.7.1.2 Execution and Control Phase Deliverables

Once VITA approves the Initiation and Planning Phases Deliverables, DMAS will be authorized to proceed to the Execution and Control Phase. This phase will continue until the implementation is complete. The Execution and Control Phase will include a number of key deliverables. The following is a list of the deliverables:

- Updated Detailed Project Plan;
- Test Plan;
- Training Plan; and
- Implementation Plan.

5.1.7.1.3 Project Closeout and Evaluation Phases Deliverables

The Project Closeout and Evaluation Phases will include a number of DMAS-prepared deliverables. The Contractor will provide input to the reports. The following is a list of the key deliverables:

- Project Closeout Report (DMAS-prepared Deliverable); and
- Post Implementation Report (DMAS-prepared Deliverable)

5.1.7.1.4 Operations Phase Deliverables

The Operations Phase will include a number of deliverables that will govern the management of services once the system has been implemented. These deliverables will be developed and accepted prior to implementation and according to Appendix C.I, Schedule A: Project Major Milestones Schedule. The Operations Phase deliverables, which the Contractor will maintain throughout the Operations Phase of the contract, consist of plans that govern quality, change management, risk management, security, disaster recovery, continuity of business operations, training, communications and performance reporting, service level agreement monitoring, documentation management and ultimately Turnover. DMAS will use these deliverables to ensure the Contractor's commitment to excellence in delivery of information technology and business services. The following is a list of those key deliverables:

- Quality Management Plan;
- Document / Documentation Management Plan;
- Change Management Plan;
- Security Plan;
- Risk Management Plan;
- Training Plan;
- Communications and Performance Reporting Plan;
- SLA Reporting Application;
- Disaster Recovery Plan;
- Continuity of Operations Plan; and
- Turnover Plan.

The Key Deliverables Table below summarizes each deliverable and its associated Appendix or Schedule. Appendix C Takeover/Turnover provides instructions and requirements for the deliverables. Note: Appendix C.I: Detailed Project Plan and Schedule has supplemental Schedules that are also required to complete the deliverable.

5.1.7.1.5 Deliverables Table

Table 5.1.7.1.5: Key Takeover Deliverables

PES Contract	Phases / Key Deliverables	Appendices / Schedules	Description
	Initiation and Planning		
	1.0 Project Proposal and Project Charter	DMAS-prepared Deliverable	Formal project documentation submitted by DMAS for VITA Project approval
X	2.0 Detailed Project Plan and Schedule	Appendix C.I	Overall, detailed project plan made up of a variety of deliverables that address the Takeover phase.
X	a. Executive Summary section		This section is a high-level summary.
X	b. Approach section for the Takeover project		This section identifies the approach the Contractor will employ for the Takeover.
X	c. Major Project Phases, Milestones, and Deliverables section	Schedule A	This section is a chart of Major Phases, Milestones and Deliverables. The chart is also a schedule for deliverables. This information is intended for building a Project Work Plan.
X	d. Performance Reporting Summary section	Schedule B	This section outlines weekly performance reporting during the Takeover project.

PES Contract	Phases / Key Deliverables	Appendices / Schedules	Description
X	e. Contractor Set-Up section: Staffing Acquisition Facility Acquisition Hardware and Equipment Software Acquisition and Installation Data Transition Documentation Takeover and Updates Plan	 Schedule C Schedule D Schedule E Schedule F Schedule G Schedule H	Section includes the startup activities for the Contractor
X	f. Risk Management section	Schedule I	Takeover Risk Management section
X	g. Quality Management Plan	Schedule J	Takeover QA section for the Contractor activities
X	h. Change Management section Part A: Takeover	Schedule K	Takeover Change Management
X	i. Security section	Schedule L	Takeover Security section
	Execution and Control		
X	1.0 Updated Detailed Project Plan	Appendix C.I – Updated	Updates to sections in plan
X	2.0 Test Plan	Appendix C.II	Test plan includes test activities up to implementation
X	3.0 Training Plan – Part A – Takeover	Appendix C.III	Project deliverable that address takeover training
X	4.0 Implementation Plan	Appendix C.IV	Contains activities leading up to the implementation, and that are necessary for the cutover to the new Contractor.
	Project Closeout and Evaluation		
	1.0 Project Closeout Requirements	Appendix C.V	The Closeout report will be submitted by DMAS, with Contractor input
	2.0 Project Evaluation Requirements – Post Implementation Review (PIR)	Appendix C.VI	The Post-Implementation Review report will be submitted by DMAS, with Contractor input
	Operations		
X	1.0 Quality Management Plan	Appendix C.VII	Quality Assurance policies and procedures and quality controls for how systems and business

PES Contract	Phases / Key Deliverables	Appendices / Schedules	Description
			operations will be conducted
X	2.0 Document / Documentation Management Plan	Appendix C.VIII	Documentation policy and procedures that the system will be operated under
X	3.0 Change Management Plan Part B: Operations	Schedule K – Updated	Documented policy and procedures for change management that the Contractor will operate under
X	4.0 Risk Management Plan	Appendix C.XII	Documented policy and procedures for risk management that the that the Contractor will operate under
X	5.0 Security Plan	Appendix C.XI	Documented policy and procedures for security that the Contractor will operate under
X	6.0 Training Plan Part B: Operations	Appendix C.III – Updated	Documented policy and procedures for training under which the systems and business operations will be conducted
X	7.0 Communications and Performance Reporting Plan	Appendix C.IX	Documented policy and procedures for Communications and Performance Reporting that the that the Contractor will operate under
X	8.0 SLA Reporting Application	Appendix C.XIII	This is the documented application used to track SLAs to report on against performance
X	9.0 Disaster Recovery Plan	Appendix C.XIV	This is the plan that meets VITA standards for disaster recovery activities and requirements

PES Contract	Phases / Key Deliverables	Appendices / Schedules	Description
X	10.0 Continuity of Operations Plan	Appendix C.XV	This is the plan that meets VITA standards for continuity of operations activities and requirements

5.1.7.2 Turnover at Contract Conclusion

Prior to the conclusion of the contract awarded as a result of this RFP, the Contractor will provide assistance in turning over the MMIS components to DMAS or the successive contractor/entity.

5.1.7.2.1 Overview

The Turnover task objectives that require the Contractor provide an orderly, cooperative, comprehensive, and controlled transition to DMAS or a DMAS assigned entity. The Turnover should result in minimal disruption of processing and services provided to recipients, providers, and operational users of the system and operations.

The turnover functions described in this section include DMAS responsibilities, Contractor deliverables, and milestones.

5.1.7.2.2 DMAS Responsibilities for Turnover

DMAS will assume the following responsibilities:

- Notify the Contractor of DMAS' intent to terminate and transfer the system at least twelve (12) months prior to the end of the contract in a document known as the Turnover notification letter;
- Review and approve the deliverables identified in section 5.1.7.2.3, Contractor Deliverables;
- Report and coordinate the resolution of issues between contractors;
- Chair a weekly meeting with the Contractor, provide feedback on Contractor's weekly reports, and participate in risk management and corrective actions plans; and
- Participate in post-turnover review period and obtain post turnover support from the Contractor as needed.

5.1.7.2.3 Contractor Deliverables

The Turnover deliverables that the Contractor is responsible for are included in Appendix C. DMAS will review and approve each of the Turnover deliverables.

Table 5.1.7.2.3: Key Turnover Deliverables

Provider Enrollment Contractor	Phases / Key Deliverables	Appendices / Schedules	Description
	Operations		
X	11.0 Turnover Plan	Appendix C.X	Turnover Approach work plan, Turnover organization chart, inventory of Turnover components, Turnover status report, and Turnover Final letter.

5.1.7.2.4 Turnover Milestones

The table below identifies the Turnover milestones that the Contractor and DMAS will use to manage the progress toward the fixed turnover date.

Table 5.1.7.2.4: Turnover

Milestone
Contractor builds and submits for approval a Turnover Plan
Contractor completes a resource team for Turnover
Contractor completes a detailed organization chart
Contractor completes the Turnover software inventory
Contractor completes the Turnover hardware inventory
Contractor completes the Turnover status report
Contractor submits final Turnover completion letter

5.2 CONTRACT STAFFING REQUIREMENTS

5.2.1 KEY STAFF

The following organizational chart and tables specify the reporting structure and required responsibilities and qualifications for key staff. A single, full-time individual must be dedicated solely to each key staff position throughout the contract term unless requested and approved by DMAS prior to contract award. All key staff must be located at the Contractor's Richmond, Virginia facility. Unless otherwise noted, all key staff must be provided for both the Takeover and Operations Phases.

DMAS must approve all key staff appointments in advance. Should any turnover among key staff members occur during the contract term, all replacement staff must meet the requirements of this RFP and gain DMAS approval.

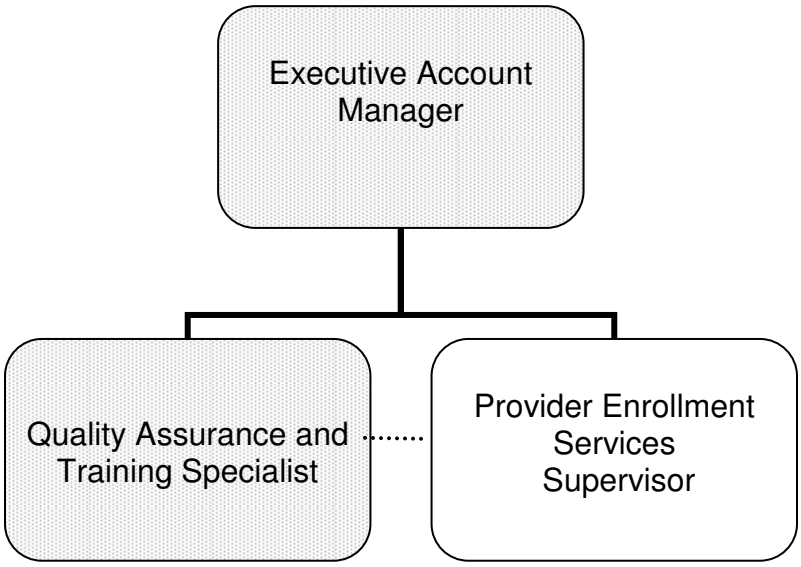

Figure 5.2.1

**The grayed positions as shown in the organizational chart will be rolled up and consolidated into key positions in the event the Offeror is awarded both the Fiscal Agent Services and Provider Enrollment Service contracts.*

5.2.1.1 Key Staff Requirements

Table 5.2.1.1.1

Title:	Executive Account Manager
Responsibilities:	• Ensure that all services provided meet or exceed contract requirements; • Foster cooperative relationships among partners; • Serve as a single point of contact for problems and issues that need to be resolved at the senior management level; • Ensure that DMAS is satisfied with the delivery of all services and take corrective action to initiate improvement where needed; • Ensure compliance with all performance standards specified in the contract; and • Ensure compliance with all quality program standards in the DMAS-approved Quality Assurance Plans.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated ability to effectively communicate with customer's senior management and foster cooperative relationships with all business partners; • Demonstrated ability in problem resolution and conflict management; • Demonstrated performance as a leader of teams in a dynamic environment; • Demonstrated knowledge of healthcare systems management; • Demonstrated track record of implementing quality improvement and customer satisfaction monitoring programs; • Demonstrated ability to motivate work force and set tone of customer partnership for large contracts; • Demonstrated skills in IT, business, and operations innovation to meet customer objectives; and • Demonstrated ability to manage large projects to successful completion.
Education:	• Graduation from an accredited college or university with a bachelor's degree required. Advanced degree in business administration preferred.
Preferred Accreditation:	• Certified Professional Contracts Manager (CPCM)—National Contract Management Association; or • Project Management Professional (PMP)—Project Management Institute.

Table 5.2.1.1.2

Title:	Provider Enrollment Services Supervisor
Report to:	Executive Account Manager
Responsibilities:	• Manage day-to-day operations of provider enrollment functions in accordance with DMAS-established performance measures; • Ensure that all operational components are performed in accordance with approved contract requirements specified in Appendix F.I; • Ensure that cooperative relationships exist in a customer environment and work cooperatively with a state-run operations group; • Manage provider enrollment staff to meet DMAS' requests, including special projects, and other needs as they arise; • Report and resolve production and environment issues timely and accurately; and • Submit weekly report to DMAS that includes the provider enrollment services' results on the performance measures outlined in the RFP.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated experience managing people, developing teams, and meeting contractual requirements; • Demonstrated ability to communicate effectively, orally and in writing with all levels of management; • Demonstrated experience supervising staff in a diverse and highly stressful environment; and managing workflows; • Demonstrated ability to simultaneously manage concurrent projects and effectively respond to unanticipated DMAS business needs; and • Demonstrated experience using superior customer service skills.
Education:	• Graduation from accredited college or university with coursework in business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.

Table 5.2.1.1.3

Title:	Quality Assurance and Training Specialist
Report to:	Executive Account Manager
Responsibilities:	• Define, implement, and validate DMAS-approved quality assurance plans; • Develop and implement a comprehensive Quality Assurance plan for the operational functions associated with Provider Enrollment Services; • Monitor performance to ensure compliance with contract and report errors or deviations to the process, workflow or deliverables; • Recommend process improvements to improve quality of operational components of provider enrollment services; • Conduct internal audits, as required in the quality plan, for operational processes, such as all provider enrollment processing activities, returned mail and customer services; • Report quality program activities associated with performance standards to DMAS on a monthly basis; and • Develop a training program that encompasses training for new-hires, provider enrollment subsystem changes, policy and procedure update/changes, and support staff as needed.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated knowledge of quality programs in business operations environment; • Demonstrated ability to communicate effectively, orally and in writing with all levels of management and support staff; • Demonstrated ability to monitor, and build a high functioning operational team; • Demonstrated experience in business analysis, performance metrics, and identifying corrective actions needed to comply with contract requirements; • Demonstrated ability to manage and implement independent quality assurance and training programs; and • Demonstrated experience in training staff on operational processes and procedures.
Education:	• Graduation from accredited college or university with coursework in business administration, or a related field. An equivalent combination of training and experience may substitute for education requirements.
Preferred Accreditation:	• Certification from American Society for Quality (Quality Auditor, Quality Engineer, Quality Assurance Manager, or Six Sigma Black Belt); or • Project Management Professional (PMP)—Project Management Institute; or • Equivalent certification.

5.2.2 OTHER STAFF

Offerors must propose staff for three major areas. They are: (1) Provider Enrollment Specialists, (2) Customer Service Representatives, and (3) Production Support Specialists. The staff must be onsite personnel dedicated solely to this contract and possess adequate work experience and expertise to perform all provider enrollment contract requirements. Changes in business conditions or requirements may require an increase or decrease to the number of required staff during the contract term.

5.2.2.1 Other Staff Requirements

Table 5.2.2.1.1

Title:	Provider Enrollment Specialist
Report to:	Provider Enrollment Services Supervisor
Responsibilities:	• Perform provider enrollment activities in accordance with DMAS established performance measures; • Conduct prompt and courteous customer service to the provider community via incoming phone calls or written inquiries; • Screen provider enrollment documents, and perform data entry of all provider enrollment data from various provider enrollment documents; and • Follow up on all provider enrollment inquiries via outgoing phone call or written communication.
Knowledge, Skills, Abilities, and Experience:	• Demonstrated experience meeting production requirements; • Demonstrated ability to communicate effectively, orally and in writing; • Two or more years experience working in a production and quality driven environment; and prioritizing daily assignments; • Demonstrated ability to multi-task, explain complex program concepts, and have good problem-solving skills using procedural guidelines; • Demonstrated accurate data-entry skills; and • Ability to interpret state governmental policy and procedures.
Education:	• Some college level course work completion preferred.

Table 5.2.2.1.2

Title:	Customer Service Representative
Report to:	Provider Enrollment Services Supervisor
Responsibilities:	• Conduct prompt and courteous customer service to providers interested in becoming providers or checking the status of their application for enrollment via incoming phone calls or written inquiries; • Follow up on provider enrollment inquiries via outgoing phone call or written communication; • Appropriately refer callers, as instructed by DMAS, to DMAS' Provider Help Line; and • Identify provider complaints using DMAS approved criteria and make every reasonable effort to resolve caller complaints, refer to supervisory staff as appropriate and document all call details.
Knowledge, Skills, Abilities, and Experience:	• Work experience performing customer service; • Demonstrated ability to communicate effectively, orally and in writing; • Two or more years experience prioritizing daily assignments while working in a production and quality-driven environment; • Demonstrated ability to multi-task, explain complex program concepts, and have good problem solving skills using procedural guidelines; • Demonstrated accurate data-entry skills; and • Ability to interpret state governmental policy and procedures.
Education:	• Some college level course work completion preferred.

Table 5.2.2.1.3

Title:	Production Support Specialist
Report to:	Provider Enrollment Services Supervisor
Responsibilities:	• Provide administrative and clerical support to the Provider Enrollment Services; • Sorting of mail to prepare provider enrollment documents for processing; • Imaging/Profiling of paper documents; and • Mailing provider notices.
Knowledge, Skills, Abilities, and Experience:	• Knowledge of general office practices; • Ability to multi-task and handle large volume of work in a quality and deadline driven environment; and • Demonstrated accurate data-entry skills.
Education:	• Graduation from high school.

5.2.3 STAFFING PLANS FOR TAKEOVER AND OPERATIONS PHASES

As part of its proposal, the Offeror must provide detailed staffing plans and organizational charts for both the Takeover and Operations Phases. The staffing plans must include all proposed staff by position title and effective date of entry. For the Takeover Phase, also include the exit date for any staff not required through June 30, 2010.

The Offeror's proposed staffing plan for the Takeover Phase must be sufficient to ensure a smooth transition to the new contract effective July 1, 2010. The Offeror's proposed staffing plan for both the Takeover Phase and the Operations Phase must be sufficient to meet all requirements of this RFP.

If the Offeror is also submitting proposals for Drug Rebate Services and/or Fiscal Agent Services, staffing for those contracts should be included in the Offeror's optional response to those sections of the RFP.

5.2.4 AD HOC STAFFING REQUESTS

From time to time, DMAS may require additional operational staff for special projects during both the Takeover and Operations Phases of the contract. Services required may include the following:

- Provider and/or user training in the system enhancements included in this RFP
- Provider and/or user train-the-trainer sessions;
- Development of training plans or materials;
- Use of Contractor training facilities or tools;
- Data entry and quality control support; and
- Provider-outreach activities.

Offerors must provide a summary and costs for provision of these additional ad hoc personnel, including the types of resources available and its training facilities and tools.

5.2.5 STAFF DEVELOPMENT

DMAS wants to ensure that the Offeror has a policy that supports staff development. Staff development opportunities are important for all types of staff outlined in this section. Each Offeror is required to provide an overview of the company's staff development programs and opportunities.

5.2.6 CONTRACT STAFFING AND LOCATION

The PES Contract requires that the Contractor perform all services, except those that are subcontracted with DMAS approval, within fifteen (15) miles of the DMAS offices at 600 E. Broad Street, Richmond, Virginia, as determined by the most direct automobile route, for the duration of the contract.

The Contractor must provide one (1) enclosed office space with door and one (1) cubicle for the DMAS contract monitor and other DMAS staff to perform onsite monitoring of the Contractor's adherence to Service Level Agreements and other business functions. The Contractor shall furnish each office and cubicle with office equipment to include a personal computer connected to the Internet for email access *via* the web. The contract also requires the Contractor to provide one (1) assigned parking space for DMAS use. Should one contractor win both the FAS and PES Contracts, DMAS staff may share some of this space.

Table 5.2.6: Location Requirements

Area	Square Feet
Furnished office space for onsite DMAS employees with space and furnishings equivalent to that provided for PES staff	372 plus file storage, supplies, etc.
One (1) 10' x 10' secure office, one (1) 6' x 8'cubicle, and one (1) available 14' x 16' secure meeting room	

The Contractor will perform all project work at the Contractor site, except for meetings at DMAS or other agency offices, unless otherwise provided for in this RFP. During normal business hours, the Contractor shall provide access to all Richmond, Virginia-area PES facilities to each DMAS employee or consultant designated by the DMAS Contract Manager. At other times, the Contractor shall provide access to all Richmond, Virginia-area PES facilities to each DMAS employee or consultant designated by the DMAS Contract Manager, with DMAS notice. DMAS and the Contractor will establish appropriate protocols to ensure maintenance of physical property/facility security and data confidentiality safeguards.

The Contractor's operational data center can be located anywhere within the contiguous forty-eight (48) states, as long as the Service Level Agreements specified within the RFP can be satisfied.

5.3 PAYMENTS TO CONTRACTOR

The Contractor will be paid for the Provider Enrollment Services it provides to DMAS through a variety of payment methodologies. The sections below describe these methodologies for both the Takeover and Operations Phases of the contract. There will be no separate payment for the Turnover Phase.

5.3.1 PAYMENT FOR THE TAKEOVER PHASE

All payments for the Takeover Phase will be based on Contractor completion, and DMAS approval, of project deliverables and milestones (refer to Section 5.1.7 Takeover and Turnover). Offerors should include all costs for the Takeover Phase in their implementation fees, which must be fully itemized to disclose each cost component of that fee.

The total cost for implementation activities will be apportioned to the required deliverables and project milestones. The percent of the implementation fee apportioned to each deliverable and milestone will be mutually agreed upon between DMAS and the Contractor during contract negotiations. The Contractor will invoice DMAS at the point it receives written approval of each deliverable from DMAS or DMAS' written acknowledgment that a milestone has been successfully achieved. DMAS will pay the Contractor within thirty (30) days after receipt of the Contractor's invoices.

5.3.2 PAYMENT FOR THE OPERATIONS PHASE

DMAS will use the following payment methodologies to reimburse the Contractor for costs associated with the Operations Phase:

- Fixed costs; and
- Direct costs.

Details for each methodology are outlined below. In addition to these methodologies, any payment is subject to an automatic adjustment based on performance related to Service Level Agreements (SLAs), as discussed in section 5.3.3.

5.3.2.1 Fixed Costs

DMAS will pay the Contractor a fixed monthly rate for all Provider Enrollment Services as defined in accordance with the Statement of Work and as specified in the defined requirements. The fixed monthly rate is based on all agreed-upon provider enrollment services, and is all inclusive. The Contractor must include all costs in the proposed fixed monthly fee, whether provided by the Offeror or its subcontractor(s). DMAS will make payments monthly in arrears using the fixed monthly fee. The fixed monthly fee for the first year of operations under the resulting contract (that is, the baseline) will be increased or decreased effective July 1st of each year of operations thereafter by the increase or decrease of the All Urban Consumers

category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

5.3.2.3 Direct Costs

DMAS will pay the Contractor for all direct (pass-through) costs incurred for postage charges from the United States Postal Service for all mailings to providers, to the extent that DMAS determines that the Contractor has acted in a manner that resulted in the lowest possible postage rate for each mailing. If DMAS determines that the mailing charges are excessive as a result of actions taken or not taken by the Contractor (for example, failure to use the nine-digit zip code or pre-sort and label the mail), the direct costs will be defined as the charges that would have resulted if the Contractor had acted in a manner that resulted in the lowest possible charges. Other direct costs may incur from time to time and will be negotiated in advance.

The Contractor will submit monthly invoices with supporting documentation for the actual costs incurred each month for postage. No markup shall be applied to the direct costs to DMAS.

5.3.3 SERVICE LEVEL AGREEMENTS

The contract between the COV and the PES Contractor will contain a number of performance-related Service Level Agreements (SLAs). The SLAs that DMAS has designated represent services that are especially critical to the success of the COV's Medicaid program. Based on their severity, the Contractor's failure to meet SLAs may result in a payment credit to DMAS.

The PES Contractor must monitor all SLAs through the Software Quality Assurance and Business Operations Quality Assurance plans. During the Takeover Phase, the Contractor will be required to develop Quality Assurance Plans (see Section 5.1.7 Takeover and Turnover). DMAS may provide additional input to these plans regarding SLAs that the Contractor should include and monitor throughout the Operations Phase of the contract. The Contractor will be required to report on its performance relative to the Quality Assurance Plans and prepare Corrective Action Plans for DMAS approval when SLAs are not being met. This will be a dynamic process throughout the term of the contract; and the SLAs will be subject to change, including the severity level, to support DMAS' ongoing program and business requirements.

5.3.3.1 Service Level Methodology

This section describes the Service Level Methodology in general. Specific details regarding the Service Level methodology are in Appendix A.II: Service Level Methodology. Offerors should review the Service Level Methodology of the Standard Agreement carefully.

The SLAs are detailed in Appendix F.II. The Contractor will monitor its performance against these SLAs. If performance falls below the SLA (resulting in a Service Level Failure), the Contractor may owe DMAS a Performance Credit. Performance Credits automatically reduce the payment to the Contractor. The severity or impact of each SLA is defined as an allocation percentage that will be used against a designated 'at risk' pool of funds. The percentage will range form 0 to 100% for a given SLA. The Performance Credit can increase for instances of consecutive Service Level Failures. The Contractor will also have the ability to earn credits (Earn Back Credits) for continuous improved performance following Service Level Failures. The details on the Performance Credits, successive Service Level Failures, and Earn Back Credits are in Appendix A.II.

5.3.3.2 SLA Monitoring and Reporting

The Contractor will be required to implement measurement and monitoring tools and produce metrics and reports necessary to measure its performance against the SLAs. The Contractor must develop the tools, metrics, and reports during the Takeover Phase of the contract. All tools, metrics, and reports must be approved by DMAS and be in place to begin monitoring the Contractor's performance on July 1, 2010.

All metrics and reports are subject to audit by DMAS or its designee(s). Upon request, the Contractor, at no additional cost to DMAS, must provide DMAS or its designee(s) with information and access to tools and procedures used to produce such metrics and reports.

The Contractor must report its performance against the SLAs monthly. The reports must be provided no later than seven (7) business days after the end of the preceding month. As part of the monthly report, the Contractor must notify DMAS of any Service Level Failures.

5.3.3.3 Correction of Service Level Failures

The Contractor must promptly investigate and correct Service Level Failures. The results of the investigation should be documented in a Root Cause Analysis report, which the Contractor must provide to DMAS for each Service Level Failure. Details regarding the content of the Root Cause Analysis report will be jointly agreed to by DMAS and the Contractor during the Takeover Phase.

5.4 COST PROPOSAL

This section provides the instructions for the Cost Proposal preparation. Refer to Section 3, Virginia Medicaid Enterprise Architecture; Section 5.1, Scope of Work; Section 5.2, Contract Staffing Requirements; and Section 5.3, Payments to Contractor.

5.4.1 OVERVIEW

The Contract Term is defined by a Takeover Phase from contract signing date through June 30, 2010 and an Operations Phase that begins on July 1, 2010 and ends June 30, 2012. DMAS, in its sole discretion, may extend this Contract for a one-time option of a two-year period that would begin on July 1, 2012 and ends June 30, 2014. In addition, DMAS, in its sole discretion, may continue to extend this Contract at that time for up to four (4) additional one-year option periods that would run from July 1 through June 30 for each period. The Offeror is required to submit a Cost Proposal to include a cost for a Takeover Phase and a cost for the ongoing Operations Phase. The prices included in the Cost Proposal will become the sole basis for Contractor reimbursement, except for authorized direct cost items identified in Section 5.3: Payments to Contractor. The prices included in the Cost Proposal become the basis for the award of points for this proposal component of the evaluation methodology.

5.4.2 TOTAL PRICE INSTRUCTIONS

Schedule A-1: PES Total Price is the single total price form that contains a rollup of total amounts from the detail schedules. It is the Offeror's responsibility to ensure the total amounts on Schedule A-1 match the total amounts on the detail schedules described below.

5.4.3 TAKEOVER PHASE PRICE INSTRUCTIONS

The Schedule used in this section is Schedule B-1: PES Takeover Phase Price.

For each item on Schedule B-1 containing technical infrastructure, the contractor must supply an accompanying network topology diagram and supporting tables, similar in organization to Section 3, Virginia Medicaid Enterprise Architecture that contains the following information as a minimum:

- Platform make/model and configuration (for example: RAM, CPU, disk, and tape storage, operating system, and versions, LPAR configuration, software packages and versions as well as what MMIS applications will reside on it);
- Telecommunications: circuits, types, protocols, and bandwidth;
- Technical infrastructure (for example: WAN/LAN, protocols, secure FTP capabilities, secured Email capabilities, technical environments);
- Identification on each item if it is a one-time cost (upgrades/new); and
- Identification if the component is for COV exclusive use or if it is shared. If shared, the approximate percentage allocated to COV.

An accompanying spreadsheet/resource/project plan must be included that reflects all of the components, labor, and overhead required to support the proposed infrastructure for the Takeover Phase. The Takeover Phase Price must include all production support, facilities, technical, security, and other infrastructure support required to assume responsibility of the operation of the Provider Enrollment Services.

The Offeror is responsible to ensure the Schedule A-1: PES Total Price rollup price matches the amount on Schedule B-1.

5.4.4 OPERATIONS PHASE PRICE INSTRUCTIONS

The Schedules used in this section are Schedule C-1: PES Price for Operations and Schedule D-1: PES Staffing Price.

Labor Rates

- Completion of Schedule D-1 is required. The schedule contains columns for Temporary and Permanent staff rates. The Temporary rates are used, with prior written DMAS approval, when staff augmentations are required to support a temporary need/spike in workload for supporting DMAS operational requirements.

5.4.5 SCHEDULES

5.4.5.1 Total Price Schedule

Schedule A-1: PES Total Price

	Cost
Takeover Phase Project Fixed Price (Schedule B, B-T1 total)	$
Operations Phase Fixed Price (Schedule C Monthly cost)	$
Total Price	$

5.4.5.2 Takeover Phase and Operations Phase

Schedule B-1: PES Takeover Phase Price

Group		
I	**Takeover Phase Cost**	
	A. Staffing	$
	B. Facilities	$
	C. Hardware	$
	D. Software (including maintenance)	$
	D. Other	
II	**Provider Enrollment Documentation Updates**	$
	A. Web-Based Enrollment Detailed Systems Design Document	$
	B. Operational Procedures Manuals	$
	C. User Guide Documents	
III	**Other Costs (itemize: add more rows as necessary)**	$
	A.	$
	B.	
	C.	$
B1-T1	**Schedule B Total Price Group (I + II + III)**	$

Schedule C-1: PES Price for Operations

Base Fixed Price		Costs
I.	Monthly Costs	$

Note: This cost includes all Technical Infrastructure Costs.

Schedule D-1: PES Staffing Price

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level

Note: Key staff roles defined in Section 5.2, Contract Staffing Requirements, should not be included in this table.

6. DRUG REBATE SERVICES

It is the intent of the Commonwealth of Virginia to contract with a vendor for Drug Rebate Services that meet Omnibus Budget and Reconciliation Act of 1990 (OBRA '90), current and on-going Centers for Medicare & Medicaid Services and Deficit Reduction Act of 2005 requirements. The proposed Drug Rebate application must be currently CMS-certified. The Contractor will provide day-to-day operations in support of CMS and supplemental rebate invoicing, reconciliation, and dispute resolution.

6.1 SCOPE OF WORK

6.1.1 BUSINESS OPERATIONS SUPPORT

The proposed application must capture and maintain data associated with drug rebate agreements between CMS and drug manufacturers, as well as DMAS and drug manufacturers. The application should prevent inappropriate approvals of payment requests, provide the capability to summarize utilization of pharmaceutical products to determine appropriate rebates for drug manufacturers, and create invoices based on the amount of the rebate. The Contractor will be responsible for the day-to-day operation of the Drug Rebate functions for both CMS and state supplemental rebates based on policies and procedures provided by CMS and DMAS.

Through a stand-alone application, the DRS Contractor will support the Virginia Medicaid Drug Program. It is not required that an Offeror submit a proposal component for the Fiscal Agent Services in order to be considered for the DRS Contract.

The core operational DRS functions include the following:

6.1.1.1 Invoice Manufacturers

The Contractor will support functions related to invoicing for state supplemental and federal rebates. The Contractor will incorporate into the rebate invoicing process state and federal contractual rebate data by manufacturer, pharmacy claims data, and converted and non-converted professional and institutional outpatient drug claims. The Contractor will maintain the PHS/340(b) manufacturers list within DRS. The Contractor will generate invoices in a secure environment and mail the invoices to manufacturers as scheduled.

6.1.1.2 Apply Rebates

The Contractor will include all functions related to accounting for state supplemental and federal rebates. The Contractor will track cash receipts and balance totals. The Contractor will apply drug rebate dollars at the National Drug Codes (NDCs) level. The Contractor will prepare financial and statistical reporting for DMAS.

6.1.1.3 Conduct Dispute Resolution

The Contractor will maintain documentation and communication with manufacturers to enhance dispute resolution. Contractor staff will attend CMS dispute-resolution conferences and work with the manufacturers to reduce outstanding federal rebate dollars. The Contractor will take measures to resolve state supplemental disputes. The Contractor will maintain audit trails for billing and adjustments.

6.1.2 APPLICATIONS SUPPORT

The federal Medicaid Drug Rebate Program was established when the OBRA '90 was passed by Congress. This Act makes it mandatory that drug manufacturers enter into rebate agreements with CMS for payment of Medicaid-covered drugs. Virginia established a Preferred Drug List in January 2004, which incorporated a supplemental rebate program. As a result, DMAS must have a Drug Rebate application that includes supplemental rebates. The current Medicaid fiscal agent manages the Commonwealth's Drug Rebate application for both the CMS requirements and the COV supplemental rebate program. The current application is a proprietary COTS package.

6.1.2.1 Rebate Application

The drug rebate application supports the receipt of a drug claims extract(s) from the MMIS. The application should convert Healthcare Common Procedure Coding System (HCPCS) codes and units using a Virginia specific multi-source crosswalk, and remove PHS/340b drug records from the invoicing process. Tracking products by manufacturer and transferring outstanding rebate dollars should be available within the application. The CMS rates are downloaded and integrated quarterly. Rebate invoices and cover letters are generated in the media indicated by the manufacturer.

The drug rebate application is designed to track financial data by manufacturers such as:

- Open balances grouped by NDCs;
- Invoiced NDCs;
- Disputed NDCs;

- Applied credits paid from disputes;
- Closed NDCs from resolved disputes; and
- Interest due.

6.1.2.2 Web Reports

A secure web-based tool should be available to DMAS staff for ad hoc reporting at the client level.

6.1.3 PLATFORM MANAGEMENT

This section provides information specific to platform management for DRS.

6.1.3.1 Overview

The Virginia Medicaid Enterprise Architecture is composed of the following three conceptual components:

- Fiscal Agent Technology: this conceptual component contains all the commercial hardware, systems software, and telecommunications provided and operated by the Contractor at its facilities;

- MMIS Core Technology: this conceptual component contains all the commercial hardware, systems software, COTS products tightly integrated into the MMIS, and custom application software used for hosting the MMIS and its related documentation; and

- DMAS Technology: this conceptual component contains all the commercial hardware, systems software, and telecommunications software and equipment located at DMAS.

There is also Drug Rebate Technology: this conceptual component contains all the commercial hardware, systems software, and telecommunications software and equipment used to support the Drug Rebate Contractor's proposed business services staff and Drug Rebate system. The Drug Rebate Contactor's technology connects with the MMIS Core Technology as well as DMAS Technology.

6.1.3.2 Key Interfaces

The current FA Contractor houses both the FA Technology and the MMIS Core Technology; hence, access to the MMIS Core Technology is through FA Technology. In addition, all email traffic between the current FA and DMAS is routed through secure telecommunication circuits to satisfy HIPAA Protected Health Information privacy and security requirements.

The Drug Rebate Contactor will establish secure and appropriately sized connectivity to the FA, as well as secured email connectivity to DMAS. These relationships will be governed by Service Level Agreements with the MMIS Core Technology partner.

6.1.4 DOCUMENTATION MANAGEMENT

DRS does not use any of the fiscal agent documentation management software platforms to store documentation. There is one proprietary Drug Rebate user guide.

DMAS plans to consolidate the multiple document management technologies currently in use into a single integrated content management solution. The FA would be tasked to construct the solution. The proprietary Drug Rebate user guide would not be included in this integrated solution, but any other non-proprietary Drug Rebate-related documentation or scanned images would be considered for inclusion.

6.1.5 SECURITY AND RISK MANAGEMENT

This section provides information about Security and Risk Management.

6.1.5.1 Security

Throughout the term of the contract, the Contractor must remain compliant with the most stringent requirements from the following security references:

- Section 1902 (a) (7) of the Social Security Act;
- HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);
- HIPAA Privacy Rule, 45 CFR Parts 160 and 164 Standards for Privacy of Individually Identifiable Health Information; Final Rule, August 14, 2002 (or later);
- COV ITRM Policy SEC500-02 dated: July 19, 2007 (revised) (or later);
- COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later); and
- DMAS policies.

The DRS user requests MMIS access using a DMAS MMIS Access Request form for each staff member needing access. DRS users submit the completed form to the DMAS Security Engineer for processing. The DMAS Security Engineer reviews and signs the form and then submits it to the applicable Contractor for input into the security system. Once the add request has been processed, the DRS user will be securely notified of the ID and password information.

Changes to DRS user accounts will be submitted in the same fashion, that is, using a DMAS MMIS Access Request form. Once the applicable Contractor has completed

the change request, the DMAS Security Engineer will securely notify the DRS user of the completed change.

Deletion of DRS user accounts will be submitted using a DMAS MMIS Access Request form. Once the Contractor has completed the deletion request, the Contractor will notify DMAS of the completed deletion request.

6.1.5.2 Risk Management

The Offeror must remain compliant with the Risk Management requirements from the following references:

- HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later);
- COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later);
- COV ITRM Guideline SEC508-00 dated April 18, 2007 (or later); and
- DMAS policies.

The Offeror is expected to implement a comprehensive Risk Management program that includes Risk Management and IT Contingency Planning deliverables under the Risk Management plan. The plan must be acceptable to DMAS and according to VITA standards. The plan must include an explanation of how risks are identified and assessed, a tracking tool, controls for measuring risks, risk mitigation and retirement strategies, and a reporting process that results in risk reporting to DMAS management on a regular basis. In addition, the Risk Management plan must include the following VITA standards:

Risk Management standard includes the following areas:

- Information Technology (IT) Security Roles and Responsibilities;
- Business Impact Analysis;
- IT System and Data Sensitivity Classification;
- Sensitive IT System Inventory and Definition;
- Risk Assessment; and
- IT Security Audits.

IT Contingency Planning standard and guideline include the following areas:

- Continuity of Operations Planning;
- Disaster Recovery Planning; and
- IT System Backup and Restoration.

The DRS Contractor is required to conduct annual DR testing with DMAS. The scope of the DR testing includes:

- Coordination of a DR test plan and schedule with DMAS staff and the entity designated by DMAS (FA host);
- Use of the DRS facility office space previously designated for DMAS to accommodate a limited number of DMAS staff members (see staffing section) involved in the DR tests; and
- Support of DR tests to include DRS Application Support.

The Contractor must be willing to support Recovery Time Objectives stated in the DMAS Continuity of Operations Plan (COOP) and in the following tables below. The tables are for recovery time and recovery point objectives, data retention, and backup specifications. DMAS will work with the Contractor to incorporate these requirements into the procured solution in order to support DMAS' COOP.

Table 6.1.5.2.1: Recovery Time and Recovery Point Objectives

Area	Platform	Recovery Time Objective (RTO)	Recovery Point Objective (RPO)
Technology	Both online or batch processing. Real-time systems interfaces are operational.	5 Days	Data less than 3 days old.

Table 6.1.5.2.2: Data Retention

Item	Type	Retention period	Comment
Online files	Files	Reflected in archive rules run according to production schedules	Online files are archived to off-line storage media.
Off-line	Tape	10 Years	

Table 6.1.5.2.3: Backup

Item	Type	Retention period
Production Online databases and files	Daily incremental and weekly full backups	Backup media rotated to secure offsite storage.

6.1.6 CHANGE MANAGEMENT

Change Management is a critical part of systems and software development. COTS, proprietary solutions, proprietary solutions customized for a specific client, and custom solutions, such as the MMIS, have differing Change Management processes for addressing changes needed by their user base.

The MMIS employs a release development methodology based on a classical Structured Systems Development Life Cycle (SDLC) methodology that includes a Software Quality Assurance (SQA) function. Three types of releases are used: Routine, Emergency, and Production Maintenance.

Change Management for the MMIS is accomplished under the DMAS Configuration Management Plan using Information Service Requests (ISRs) and a release development methodology. When the DRS Contractor determines an interface file needs to change, the matter should be discussed with the DMAS contract monitor. If the DMAS contract monitor concurs, DMAS will prepare and submit an ISR.

Change Management for the proposed DRS application, as well as other Contractor applications used by the proposed DRS staff for supporting DMAS, should follow Change Management processes. The Requirements section of this RFP, Appendix G.I, provides the Offeror an opportunity to describe its approach to Change Management for its DRS applications.

6.1.7 TAKEOVER AND TURNOVER

6.1.7.1 Takeover

Takeover of the Virginia MMIS is a major project that falls under the oversight of the Project Management Division of the Virginia Information Technologies Agency. The project is known as the Medicaid Enterprise Re-procurement project. As such, DMAS must follow the Information Technology Investment Management (ITIM) processes established by the Commonwealth of Virginia. ITIM is a set of management processes that provide for the identification, selection, control, and evaluation of business-driven IT investments for major projects and procurements. These processes ensure that the use of IT investments are tied to the Commonwealth's strategic planning process, and are used in achieving Agency goals and objectives.

DMAS will follow the Commonwealth of Virginia project management (PM) standards (ITRM-CPM-112-02). The Commonwealth will use established COV project processes and key deliverables in an oversight capacity for the re-procurement project to minimize risk and maximize return on investments. In addition, VITA requires DMAS to procure Independent Verification and Validation (IV&V) services

as a risk precaution for the project. The IV&V audit will be integrated into the project quality management.

The Contractor will align its Takeover activities with the project phases listed below. This section outlines the key deliverables required for the project life cycle. The project life cycle will be composed of five (5) COV project-management phases and one (1) DMAS phase:

- Project Initiation Phase (COV PM);
- Project Planning Phase (COV PM);
- Project Execution and Control Phase (COV PM);
- Project Closeout Phase (COV PM);
- Project Evaluation Phase (COV PM); and
- Operations Phase (DMAS).

The key deliverables identified in Table 6.1.7.1.5 are not meant to be exhaustive for the Takeover project. DMAS and the Contractor will establish any additional deliverables as part of a standard project management methodology. All deliverables, other than those specified as DMAS-prepared deliverables, will be prepared by the Contractor and approved by DMAS.

Unless otherwise agreed to, all Contractor deliverables will be an electronic copy in MS-Word and Adobe PDF (the versions agreed to by DMAS) on a CD-ROM or an electronic email attachment. Each deliverable should have a tracking and version number. DMAS will provide comments on the initial delivery no later than the 10th day after the day of the deliverable receipt date. Comments will be either in a comment tracking spreadsheet or in the MS-Word document with "Track Changes" turned on. The Contractor will provide a revised version back to DMAS no later than the 5th day after the deliverable response receipt date. Thereafter, DMAS or the Contractor will respond to comments by the 5th day after the day of the resubmission date, until DMAS accepts the deliverable.

6.1.7.1.1 Initiation and Planning Phases Deliverables

The Initiation and Planning Phases are the first phases of the DRS takeover. As such, DMAS will follow an established project management methodology that includes oversight by VITA. The emphasis is placed on communicating clear expectations between DMAS and the stakeholders, using industry proven project management practices including submission of quality deliverables, and meeting the Takeover schedule.

The Initiation and Planning Phases will include a number of key deliverables. The following is a list of the deliverables:

- Project Proposal and Project Charter (DMAS-prepared Deliverables); and
- Detailed Project Plan.

6.1.7.1.2 Execution and Control Phase Deliverables

Once VITA approves the Initiation and Planning Phases Deliverables, DMAS will be authorized to proceed to the Execution and Control Phase. This phase will continue until implementation is complete. The Execution and Control Phase will include a number of key deliverables. The following is a list of the deliverables:

- Updated Detailed Project Plan;
- Test Plan;
- Training Plan; and
- Implementation Plan.

6.1.7.1.3 Project Closeout and Evaluation Phases Deliverables

The Project Closeout and Evaluation Phases will include a number of DMAS-prepared deliverables. The Contractor will provide input to the reports. The following is a list of the key deliverables:

- Project Closeout Report (DMAS-prepared Deliverable); and
- Post Implementation Report (DMAS-prepared Deliverable).

6.1.7.1.4 Operations Phase Deliverables

The Operations Phase will include a number of deliverables that will govern the management of services once the system has been implemented. These deliverables will be developed and accepted prior to implementation and according to Appendix C.I, Schedule A: Project Major Milestones Schedule. The Operations Phase deliverables, which the Contractor will maintain throughout the Operations Phase of the contract, consist of plans that govern quality, change management, risk management, security, disaster recovery, continuity of operations, training, communications and performance reporting, service level agreement monitoring, documentation management and ultimately Turnover. DMAS will use these deliverables by to ensure the Contractor's commitment to excellence in delivery of information technology and business services. The following is a list of those key deliverables:

- Quality Management Plan;
- Document / Documentation Management Plan;
- Change Management Plan;
- Security Plan;
- Risk Management Plan;
- Training Plan;
- Communications and Performance Reporting Plan;
- SLA Reporting application;
- Disaster Recovery Plan;
- Continuity of Operations Plan; and
- Turnover Plan.

The Key Deliverables Table below summarizes each deliverable and its associated Appendix or Schedule. Appendix C Takeover/Turnover provides instructions and requirements for the deliverables. Note: Appendix C.I: Detailed Project Plan and Schedule has supplemental Schedules that are also required to complete the deliverable.

6.1.7.1.5 Deliverables Table

Table 6.1.7.1.5: Key Takeover Deliverables

DRS Contract	Phases/Key Deliverables	Appendices/ Schedules	Description
	Initiation and Planning		
	1.0 Project Proposal and Project Charter	DMAS-prepared Deliverable	Formal project documentation submitted by DMAS for VITA Project approval
X	2.0 Detailed Project Plan and Schedule	Appendix C.I	Overall, detailed project plan made up of a variety of deliverables that address the takeover phase.
X	a. Executive Summary section		This section is a high-level summary.
X	b. Approach section for the Takeover project		This section identifies the approach the Contractor will employ for the Takeover.
X	c. Major Project Phases, Milestones, and Deliverables section	Schedule A	This section is a chart of Major Phases, Milestones and Deliverables. The chart is also a schedule for deliverables. This information is intended for building a Project Work Plan.
X	d. Performance Reporting Summary section	Schedule B	This section outlines weekly performance reporting during the project.
X	e. Contractor Set-Up section Staffing Acquisition Facility Acquisition Hardware and Equipment Software Acquisition and Installation Data Transition Documentation Takeover and Updates Plan	 Schedule C Schedule D Schedule E Schedule F Schedule G Schedule H	Section includes the startup activities for the Contractor

DRS Contract	Phases/Key Deliverables	Appendices/ Schedules	Description
X	f. Risk Management section	Schedule I	Takeover Risk Management section
X	g. Quality Management section	Schedule J	Takeover Quality Management section for the Contractor activities
X	h. Change Management section Part A: Takeover	Schedule K	Takeover Change Management
X	i. Security section	Schedule L	Takeover Security section
	Execution and Control		
X	1.0 Updated Detailed Project Plan	Appendix C.I – Updated	Updates to sections in plan
X	2.0 Test Plan	Appendix C.II	Test plan includes test activities up to implementation
X	3.0 Training Plan – Part A – Takeover Part B – Operations	Appendix C.III	Project deliverable that addresses takeover training
X	4.0 Implementation Plan	Appendix C.IV	Contains activities leading up to the implementation, and that are necessary for the cutover to the new Contractor.
	Project Closeout and Evaluation		
	1.0 Project Closeout Requirements	Appendix C.V	The Closeout report will be submitted by DMAS, with Contractor input
	2.0 Project Evaluation Requirements – Post Implementation Review (PIR)	Appendix C.VI	The Post-Implementation Review report will be submitted by DMAS, with Contractor input
	Operations		
X	1.0 Quality Management Plan	Appendix C.VII	Quality Assurance policies and procedures and quality controls for how systems and business operations will be conducted
X	2.0 Document / Documentation Management Plan	Appendix C.VIII	Documentation policy and procedures that the system will be operated under
X	3.0 Change Management Plan Part B: Operations	Schedule K – Updated	Documented policy and

DRS Contract	Phases/Key Deliverables	Appendices/ Schedules	Description
			procedures for change management that the Contractor will operate under
X	4.0 Risk Management Plan	Appendix C.XII	Documented policy and procedures for risk management that the that the Contractor will operate under
X	5.0 Security Plan	Appendix C.XI	Documented policy and procedures for security that the Contractor will operate under
X	6.0 Training Plan Part B: Operations	Appendix C.III – Updated	Documented policy and procedures for training under which the systems and business operations will be conducted
X	7.0 Communications and Performance Reporting Plan	Appendix C.IX	Documented policy and procedures for Communications and Performance Reporting that the that the Contractor will operate under
X	8.0 SLA Reporting Application	Appendix C.XIII	This is the documented application used to track SLAs to report on against performance
X	9.0 Disaster Recovery Plan	Appendix C.XIV	This is the plan that meets VITA standards for disaster recovery activities and requirements
X	10.0 Continuity of Operations Plan	Appendix C.XV	This is the plan that meets VITA standards for continuity of operations activities and requirements

6.1.7.2 Turnover at Contract Conclusion

Prior to the conclusion of the contract awarded as a result of this RFP, the Contractor will provide assistance in turning over the MMIS components to DMAS or the successive contractor/entity.

6.1.7.2.1 Overview

The Turnover task objectives that require the Contractor, provide an orderly, cooperative, comprehensive, and controlled transition to DMAS or a DMAS assigned entity. The Turnover should result in minimal disruption of processing and services provided to recipients, providers, and operational users of the system and operations.

The turnover functions described in this section include DMAS responsibilities, Contractor deliverables, and milestones.

6.1.7.2.2 DMAS Responsibilities for Turnover

DMAS will assume the following responsibilities:

- Notify the Contractor of DMAS' intent to terminate and transfer the system at least twelve (12) months prior to the end of the contract in a document known as the Turnover notification letter;
- Review and approve the deliverables identified in section 6.1.7.2.3, Contractor Deliverables;
- Report and coordinate the resolution of issues between contractors;
- Chair a weekly meeting with the Contractor, provide feedback on Contractor's weekly reports, and participate in risk management and corrective actions plans; and
- Participate in post-turnover review period and obtain post turnover support from the Contractor as needed.

6.1.7.2.3 Contractor Deliverables

The Turnover deliverables that the Contractor is responsible for are included in Appendix C. DMAS will review and approve each of the Turnover deliverables.

Table 6.1.7.2.3: Key Turnover Deliverables

DRS Contractor	Phases/Key Deliverables	Appendices/ Schedules	Description
	Operations		
X	11.0 Turnover Plan	Appendix C.X	Turnover Approach work plan, Turnover organization chart, inventory of Turnover components, Turnover status report, and Turnover Final letter.

6.1.7.2.4 Turnover Milestones

The table below identifies the Turnover milestones that the Contractor and DMAS will use to manage the progress toward the fixed turnover date.

Table 6.1.7.2.4: Turnover

Milestone
Contractor builds and submits for approval a Turnover Plan
Contractor completes a resource team for Turnover
Contractor completes a detailed organization chart
Contractor completes the Turnover software inventory
Contractor completes the Turnover hardware inventory
Contractor completes the Turnover status report
Contractor submits final Turnover completion letter

6.2 CONTRACT STAFFING REQUIREMENTS

6.2.1 STAFF RESPONSIBILITIES

The following table specifies the responsibilities and qualifications for the key staff who are a Virginia-licensed Pharmacist and Rebate Analyst. A single, full-time individual must be dedicated to each key staff position throughout the contract term. There is also a need for a staff person to ensure that all services provided meet or exceed contract requirements; while this could be the Rebate Pharmacist, this staff member need not be dedicated to the DMAS account. The Offeror's response should clearly explain the proposed approach and should show how the Offeror will meet this requirement. DMAS must approve all key staff appointments in advance. Should any turnover among key staff members occur during the contract term, all replacement staff must meet the requirements of this RFP and be approved in advance by DMAS. Changes in business conditions or requirements may require an increase or decrease to the number of required staff during the contract term.

6.2.2 STAFF REQUIREMENTS

Table 6.2.2.1

Title:	Rebate Pharmacist
Responsibilities:	• Review day-to-day operations of the Drug Rebate functions as defined by OBRA '90; • Manage the CMS data loads; • Approve modifications to the NDC-to-J-code/HCPCS crosswalk used for Virginia rebate processing; • Work with Contractor's programming staff to develop new standard and ad hoc reporting requirements as defined by the Commonwealth or federal Agencies; • Manage input files and take corrective action when necessary; • Notify DMAS when data errors occur internally and with other vendors supporting the drug rebate function (exchange problems, inaccurate files, partial files, etc); • Manage the pre-invoicing process to ensure accuracy prior to commitment; • Manage the invoicing process including balancing prior to invoice release; • Interface with providers as deemed necessary; • Interface with manufacturers in support of dispute resolution; • Manage dispute resolution outstanding balances and report to Commonwealth; • Deliver and review the quarterly report with the Commonwealth's pharmacist; • Represent DMAS in addressing outstanding drug rebate disputes through attending established meetings [CMS, Data Niche Associates (DNA) etc.]; • Manage the drug rebate dispute resolution process for future review by auditing agencies of the Commonwealth and the Federal Government; and • Reconcile all accounting reports for accuracy to ensure they balance with DMAS Fiscal Division's accounting.
Knowledge, Skills, Abilities, and Experience:	• Experience in Medicaid rebate processing; • Commercial or supplemental rebate experience preferred; • Demonstrated ability to support the pharmacy rebate program in accordance with the guidelines of the Omnibus Budget Reconciliation Act '90 required; • Prior experience working with the proposed Drug Rebate tool required; and • Knowledge of Virginia Medicaid standards, policies and protocols required.
Education:	• Minimum of a bachelor's degree in Pharmacy from an accredited institution; and • License to practice pharmacy in the Commonwealth of Virginia required.
Preferred Accreditation:	• Project Management Professional (PMP) or equivalent certification.

Table 6.2.2.2

Title:	Rebate Support Analyst
Report to:	Contractor's Rebate Pharmacist supporting Virginia Medicaid
Responsibilities:	• Conduct day-to-day operations of the Drug Rebate functions as defined by OBRA '90; • Assist Contractor's pharmacist on all rebate processes and procedures; • Determine the rebate amount by identifying NDC or applicable J-code/HCPCS codes and drug quantity units on paid pharmacy or medical payment requests for original payments and adjustments, and rebate amount per unit received from CMS; • Maintain a manufacturer account file in accordance with CMS and/or DMAS requirements to track payments received, amount overdue, re-billings, prior period adjustments, and disputed amounts; • Document drug rebate dispute resolution process for future review by auditing agencies of the Commonwealth and the Federal Government; • Identify billing errors; and • Reconcile all accounting reports for accuracy to ensure they are in agreement with DMAS fiscal department.
Knowledge, Skills, Abilities, and Experience:	• Pharmacy experience required; • Experience and knowledge in the Medicaid rebate process required; • Commercial or supplemental rebate experience preferred; and • Full training on proposed drug rebate application required.
Education:	• High school diploma required; and • Some college or Certified Pharmacist Technician preferred. • Education may be substituted for prior rebate processing experience.

6.2.3 AD HOC STAFFING REQUESTS

From time to time, DMAS may require additional support staff for special projects related to and in support of the Virginia DRS. Services may require project management, system analysis, and programming expertise. Offerors are requested to provide a summary and costs for provision of these additional ad hoc personnel, including the types of resources available and its training facilities and tools.

Table 6.2.3.1

Title:	Rebate System Support
Report to:	Rebate Support Analyst
Responsibilities:	• Program reports that are not available through the current version of the application
Knowledge, Skills, Abilities, and Experience:	• 3 years proposed application knowledge • Medicaid and Supplemental Rebate data experience
Education:	• Four-year degree in Information Systems r Computer Science, or equivalent combination of education and experience.

Table 6.2.3.2

Title:	Supplemental Rebate Analyst
Report to:	Rebate Pharmacist
Responsibilities:	• Extra projects outside of the realm of the contract that support the state and federal rebate programs
Knowledge, Skills, Abilities, and Experience:	• Must have pharmacy experience; • Must have experience and knowledge in the Medicaid rebate process; • Supplemental or commercial rebate experience preferred; and • Fully trained on proposed drug rebate application.
Education:	• High school diploma; • Preferred some college or Certified Pharmacist Technician; and • Education may be substituted for prior rebate processing experience.

6.2.4 TRAINING AND STAFF DEVELOPMENT

DMAS provides training for employees monitoring or involved in drug rebate services. However, DMAS may require assistance from the Offeror to train or cross train DMAS personnel associated with the drug rebate programs.

6.2.4.1 Training

DMAS may require assistance from the Offeror in training personnel associated with DRS as it relates to the proposed application and reporting functionality, and web-based features.

6.2.4.2 Staff Development

DMAS wants to ensure that the Offeror has a policy that supports staff development. The Offeror is required to provide an overview of the company's staff development programs and opportunities.

6.2.5 CONTRACT STAFFING AND LOCATION

DMAS does not require the Contractor to maintain a location in Richmond, Virginia; however, the Contractor is responsible to meet the requirements and determine methods to communicate and provide data to DMAS expeditiously. The Contractor must retain adequate space to store paper documents received from the current contractor as well as space for paper documents it receives.

6.3 PAYMENTS TO CONTRACTOR

6.3.1 PAYMENT FOR THE OPERATIONS PHASE

DMAS will use the following payment methodologies to reimburse the Contractor for costs associated with the Operations Phase:

- Fixed Monthly Fee
- Direct costs.

Details for each methodology are outlined below. In addition to these methodologies, any payment is subject to an automatic adjustment based on performance related to Service Level Agreements (SLAs), as discussed in section 6.3.2.

6.3.1.1 Fixed Monthly Fee

DMAS will pay for costs associated with all applicable federal and state drug rebate processing as defined in accordance with the Statement of Work and as specified in the defined requirements. The Contractor must include all costs in the proposed fixed monthly fee, whether provided by the Offeror or its subcontractor(s). DMAS will make payments monthly in arrears using the fixed monthly fee. The fixed monthly fee for the first year of operations under the resulting contract (that is, the baseline) will be increased or decreased effective July 1st of each year of operations thereafter by the increase or decrease of the All Urban Consumers category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available.

6.3.1.2 Direct Costs

DMAS will pay the Contractor for all direct (pass-through) costs incurred for postage charges from the United States Postal Service for all mailings to providers and enrollees, to the extent that DMAS determines that the Contractor has acted in a manner that resulted in the lowest possible postage rate for each mailing. If DMAS determines that the mailing charges are excessive as a result of actions taken or not taken by the Contractor (for example, failure to use the nine-digit zip code or pre-sort and label the mail), the direct costs will be defined as the charges that would have resulted if the Contractor had acted in a manner that resulted in the lowest possible charges.

The Contractor will submit monthly invoices with supporting documentation for the actual costs incurred each month for postage. No markup may be applied.

6.3.2 SERVICE LEVEL AGREEMENTS

The contract between the COV and the DRS Contractor will contain a number of performance-related Service Level Agreements (SLAs). The SLAs that DMAS has

designated represent services that are especially critical to the success of the COV's Medicaid program. Based on their severity, the Contractor's failure to meet SLAs may result in a payment credit to DMAS.

The DRS Contractor must monitor all SLAs through the Software Quality Assurance and Business Operations Quality Assurance plans. During the Takeover Phase, the Contractor will be required to develop Quality Assurance Plans (see Section 6.1.7 Takeover and Turnover). DMAS may provide additional input to these plans regarding SLAs that the Contractor should include and monitor throughout the Operations Phase of the contract. The Contractor will be required to report on its performance relative to the Quality Assurance Plans and prepare Corrective Action Plans for DMAS approval when SLAs are not being met. This will be a dynamic process throughout the term of the contract; and the SLAs will be subject to change, including the severity level, to support DMAS' ongoing program and business requirements.

6.3.2.1 Service Level Methodology

This section describes the Service Level Methodology in general. Specific details regarding the Service Level methodology are in Appendix A.II: Service Level methodology. Offerors should review the Service Level Methodology of the Standard Agreement carefully.

The SLAs are detailed in Appendix G.II. The Contractor will monitor its performance against these SLAs. If performance falls below the SLA (resulting in a Service Level Failure), the Contractor may owe DMAS a Performance Credit. Performance Credits automatically reduce the payment to the Contractor. The severity or impact of each SLA is defined as an allocation percentage that will be used against a designated 'at risk' pool of funds. The percentage will range form 0 to 100% for a given SLA. The Performance Credit can increase for instances of consecutive Service Level Failures. The Contractor will also have the ability to earn credits (Earn Back Credits) for continuous improved performance following Service Level Failures. The details on the Performance Credits, successive Service Level Failures, and Earn Back Credits are in Appendix A.II.

6.3.2.2 SLA Monitoring and Reporting

The Contractor will be required to implement measurement and monitoring tools and produce metrics and reports necessary to measure its performance against the SLAs. The Contractor must develop the tools, metrics, and reports during the Takeover Phase of the contract. All tools, metrics, and reports must be approved by DMAS and be in place to begin monitoring the Contractor's performance on July 1, 2010.

All metrics and reports are subject to audit by DMAS or its designee(s). Upon request, the Contractor, at no additional cost to DMAS, must provide DMAS or its designee(s) with information and access to tools and procedures used to produce such metrics and reports.

The Contractor must report its performance against the SLAs monthly. The reports must be provided no later than seven (7) business days after the end of the preceding month. As part of the monthly report, the Contractor must notify DMAS of any Service Level Failures.

6.3.2.3 Correction of Service Level Failures

The Contractor must promptly investigate and correct Service Level Failures. The results of the investigation should be documented in a Root Cause Analysis report, which the Contractor must provide to DMAS for each Service Level Failure. Details regarding the content of the Root Cause Analysis report will be jointly agreed to by DMAS and the Contractor during the Takeover Phase.

6.4 COST PROPOSAL

This section provides the instructions for the Cost Proposal preparation. Refer to Section 3, Virginia Medicaid Enterprise Architecture as a reference; Section 6.1, Scope of Work; Section 6.2, Contract Staffing Requirements; and Section 6.3, Payments to Contractor for the details to consider in the Cost Proposal.

6.4.1 OVERVIEW

The Contract Term is defined by a Takeover Phase from contract signing date through June 30, 2010 and an Operations Phase that begins on July 1, 2010 and ends June 30, 2013. DMAS, in its sole discretion, may extend this Contract with up to five (5) one-year option periods that would run from July 1 through June 30 for each period. The Offeror is required to submit a Cost Proposal to include a cost for a Takeover Phase and a cost for the ongoing Operations Phase. The prices included in the Cost Proposal will become the sole basis for Contractor reimbursement, except for authorized direct cost items identified in Section 6.3: Payments to Contractor. The prices included in the Cost Proposal become the basis for the award of points for this proposal component of the evaluation methodology.

6.4.2 TOTAL PRICE INSTRUCTIONS

Schedule A-1: DRS Total Price is the single total price form that contains a rollup of total amounts from the detail schedules (Schedule B-1: DRS Takeover Phase Price and Schedule B-2: DRS Price for Operations). Schedule B-3: DRS Disaster Recovery and Data Point Objectives should be considered for inclusion when working the Operations price in the Cost Proposal. It is the Offeror's responsibility to ensure the total amounts on Schedule A-1 match the total amounts on the detail schedules.

6.4.3 TAKEOVER AND OPERATIONS PHASE PRICE INSTRUCTIONS

6.4.3.1. Overview

The Schedules used in this section are: Schedule B-1, Schedule B-2, and Schedule B-3. An accompanying spreadsheet/resource/project plan must be included that reflect all of the components, labor, and overhead required to support the proposed infrastructure for the Takeover Phase and Operation Phase. The infrastructure price must include all production support, facilities, technical, security, and other infrastructure support required.

The Offeror is responsible to ensure the prices from the spreadsheet rollup and match the amounts on Schedules B-1 and B-2 and the prices from Schedules B-1 and B-2 rollup and match the amounts on Schedule A-1.

6.4.3.2. Takeover Phase Price Instructions

Schedule B-1 should be completed at a high level with the price supported by an accompanying spreadsheet.

For each item on Schedule B-1 containing technical infrastructure, the Contractor must supply an accompanying network topology diagram and supporting tables, similar in organization to Section 3, Virginia Medicaid Enterprise Architecture that contains the following applicable information at a minimum:

- Platform make/model and configuration (for example: RAM, CPU, disk, and tape storage, operating system, and versions, LPAR configuration, software packages and versions as well as what applications will reside on it);
- Telecommunications: circuits, types, protocols, and bandwidth;
- Technical infrastructure (for example: WAN/LAN, protocols, secure FTP capabilities, secured Email capabilities, technical environments);
- Identification on each item if it is a one-time cost (upgrades/new); and
- Identification if the component is for COV exclusive use or if it is shared. If shared, the approximate percentage allocated to COV.

6.4.3.3. Operations Phase Price Instructions

Schedule B-2 should include all high level categories supported by an accompanying spreadsheet containing the details. DMAS desires to improve preparedness for disasters and continuity of Drug Rebate operations. Schedule B-3 contains, by technology area, recovery time objectives (RTO) and recovery point objectives (RPO) for the DRS components.

Schedule B-3 should assist the Offeror with preparing the line item Disaster Recovery and Data Points Objectives included on Schedule B-2. The Disaster Recovery and Data Point Objective price must be supported by an accompanying spreadsheet.

6.4.4 ADDITIONAL STAFFING

The Schedule used in this section is Schedule C-1: DRS Hourly Rate. The schedule contains columns for Temporary and Permanent staff rates. The Temporary rates are used, with prior written DMAS approval, when staff augmentations are required to support a temporary need/spike in work in order to support DMAS operations.

The Offeror's hourly rate for staffing types and levels specified must be based on the staff requirements in Section 6.2.3 in this RFP.

Labor Rates
Completion of Schedule C-1 is required. Offeror should include the position title and the hourly rate.

6.4.5 SCHEDULES

6.4.5.1. Total Price Schedule

Schedule A-1: DRS Total Price

	Cost
Takeover Phase Project Fixed Price (Schedule B-1, B1-T1 total)	$
Operations Phase Fixed Monthly Price (Schedule B-2, B2-T1 total)	$
Total Price	$

6.4.5.2. Takeover and Operations Phase Price Schedules

Schedule B-1: DRS Takeover Phase Price

Takeover and Development/Installation of Enhancements		
Group	**Item**	**Price**
I	**Takeover Phase Cost**	
	A. Staffing	$
	B. Facilities	$
	C. Hardware	$
	D. Software (including maintenance)	$
	E. Other	$
II	**Drug Rebate Documentation**	
	Operational Procedures Manuals	$
	User Guide Documents	$
III	**Other Costs**	
	A.	$
	B.	$
	C.	$
B1-T1	**TOTAL PRICE**	$

Schedule B-2: DRS Price for Operations

Price for Operations		
Group	**Item**	**Price**
I	**Operations Phase Cost**	
	A. Staffing	$
	B. Facilities	$
	C. Hardware	$
	D. Software (including maintenance)	$
	E. Disaster Recovery and Data Point Objectives	$
II	**Other Costs**	
	A.	$
	B.	$
	C.	$
B2-T1	**TOTAL PRICE**	$

Schedule B-3: DRS Disaster Recovery and Data Point Objectives

Area	Platform	Recovery Time Objective (RTO)	Recovery Point Objective (RPO)	Option Packaging
Drug Rebate Technology	Drug Rebate Server	5 Days	Data less than 3 days old.	Include in baseline pricing
	Web Reporting Application	5 Days	User access reestablished.	Include in baseline pricing

6.4.5.3. Additional Staffing Schedule

Schedule C-1: DRS Hourly Rate

Role Title	Permanent Staff Price Per Hour	Temporary Staff Price Per Hour	Proposed Staff Level
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	
	$	$	

7. APPENDIX

APPENDIX A: RFP REQUIRED FORMS AND EXPLANATIONS

APPENDIX A.I: SMALL BUSINESS SUBCONTRACTING PLAN

APPENDIX A.II: SERVICE LEVEL AGREEMENTS METHODOLOGY

APPENDIX B: GLOSSARY OF TERMS

APPENDIX C: TAKEOVER/TURNOVER

APPENDIX C.I: DETAILED PROJECT PLAN AND SCHEDULES A-L

APPENDIX C.II: TEST PLAN

APPENDIX C.III: TRAINING PLAN

APPENDIX C.IV: PROJECT IMPLEMENTATION PLAN

APPENDIX C.V: PROJECT CLOSEOUT

APPENDIX C.VI: PROJECT EVALUATION

APPENDIX C.VII: QUALITY MANAGEMENT PLAN

APPENDIX C.VIII: DOCUMENT/DOCUMENTATION PLAN

APPENDIX C.IX: COMMUNICATIONS AND PERFORMANCE REPORTING

APPENDIX C.X: TURNOVER

APPENDIX C.XI: SECURITY PLAN

APPENDIX C.XII: RISK MANAGEMENT PLAN

APPENDIX C.XIII: SERVICE LEVEL AGREEMENT REPORTING APPLICATION

APPENDIX C.XIV: DISASTER RECOVERY PLAN

APPENDIX C.XV: CONTINUITY OF OPERATIONS PLAN

APPENDIX D: TECHNICAL ARCHITECTURE

APPENDIX E: FISCAL AGENT SERVICES

APPENDIX E.I: FISCAL AGENT SERVICES BUSINESS AND FUNCTIONAL REQUIREMENTS

APPENDIX E.II: FISCAL AGENT SERVICES SERVICE LEVEL AGREEMENTS

APPENDIX E.III: FISCAL AGENT SERVICES STATISTICS

APPENDIX E.IV: FISCAL AGENT SERVICES BANKING REQUIREMENTS

APPENDIX E.V: FISCAL AGENT SERVICES STANDARD AGREEMENT RFP 2008-02

EXHIBIT B TO APPENDIX E.V

APPENDIX F: PROVIDER ENROLLMENT SERVICES

APPENDIX F.I: PROVIDER ENROLLMENT SERVICES BUSINESS AND FUNCTIONAL REQUIREMENTS

APPENDIX F.II: PROVIDER ENROLLMENT SERVICES SERVICE LEVEL AGREEMENTS

APPENDIX F.III: PROVIDER ENROLLMENT SERVICES STATISTICS

APPENDIX F.IV: PROVIDER ENROLLMENT SERVICES STANDARD AGREEMENT RFP 2008-02

EXHIBIT B TO APPENDIX F.IV

APPENDIX G: DRUG REBATE SERVICES

APPENDIX G.I: DRUG REBATE SERVICES BUSINESS AND FUNCTIONAL REQUIREMENTS

APPENDIX G.II: DRUG REBATE SERVICES SERVICE LEVEL AGREEMENTS

APPENDIX G.III: DRUG REBATE SERVICES STATISTICS

APPENDIX G.IV: DRUG REBATE SERVICES STANDARD AGREEMENT RFP 2008-02

EXHIBIT B TO APPENDIX G.IV